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Shipping Outlook After the Victory

By Jesse H. Jones,
Secretary of Commerce

MUCH HAS BEEN WRITTEN by authorities, within and without the Government, on national and international shipping policy. Fundamentally, there appears to be no difference of opinion. The need for an adequate national merchant marine is stressed by all, with international cooperation for the general economic well-being. Implementation of this policy, however, is a formidable task that will require the provision of employment for a much larger American fleet than heretofore, together with a healthy restoration and expansion of world commerce.

A brief review of this country's experience, position, and existing policy is a necessary prelude to consideration of future merchant marine planning.

World War I Shows Inadequacy of Our Merchant Marine

The need for an American merchant marine of large proportions has long been demonstrated. World War I gave forceful evidence of our neglect of this instrument of national defense and bulwark of our oversea commerce. With the view of preparing for such future national emergencies Congress passed the Merchant Marine Acts of 1920 and 1928 which provided construction loans and mail contracts designed to stimulate and develop the merchant marine under private ownership. Notwithstanding the efforts and expenditures under these Acts the progress was deemed to be unsatisfactory, and Congress subsequently passed the Merchant Marine Act of 1936.

That legislation substituted, for shipbuilding loans and indirect aid in the form of mail contracts, direct aid in the form of operation-and-construction differential subsidies together with countervailing subsidies, for vessels employed in services determined by the Maritime Commission to be essential. It was the expectation of Congress that through these direct subsidies an approach to parity of costs would be obtained for United States operators engaged on international trade routes.

In addition, the Act of 1936 authorized the Maritime Commission itself to arrange for the construction of new vessels, upon a finding approved by the President that the national policy and objectives set forth in the Act could not otherwise be attained. These vessels were to be sold or chartered to private operators upon their completion.

In compliance with the mandate of the Act the Maritime Commission originally formulated a program for the construction of a modern fleet of 500 vessels over a period of 10 years. This program has since been accelerated because of the exigencies of the war. Among the types of vessels designed by the Commission are the remarkably efficient C–2's for cargo (15½ knots, 8,600 to 9,700 tons deadweight); C–3's for either cargo or cargo and passengers (16½ knots, 12,000 to 12,600 tons deadweight); and the national defense tanker (16½ to 18 knots, 16,500 tons deadweight).

Existing Maritime Policy Is Well Established

The foregoing is history, but it serves as background for the consideration of future policy. We are not lacking in the declaration of a broad objective; neither are we lacking in the supply of tonnage. With our resources and ingenuity we already have overcome our war losses and possess the largest merchant fleet in the world, manned by competent American personnel. Moreover, we are substituting Victory and other superior types of Liberty Ships, with prospects of having a large fleet of efficient vessels suitable for commercial operation at the end of the war. The all-important framework of policy is embodied in the preamble of the existing Merchant Marine Act, 1936, which it is pertinent to cite herein, viz:

> It is necessary for the national defense and the development of its foreign and domestic commerce that the United States shall have a merchant marine:
>
> (*a*) sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times,
>
> (*b*) capable of serving as a naval and military auxiliary in time of war or national emergency,
>
> (*c*) owned and operated under the United States flag by citizens of the United States insofar as may be practicable, and,
>
> (*d*) composed of the best-equipped, safest, and most suitable types of vessels and constructed in the United States and manned with a trained and efficient citizen personnel. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.

National Security Depends on Merchant Marine

National defense is paramount, and, in view of the tremendous shipping requirements experienced in both World War I and the present war, it is rather obvious that adequate provision in future for such requirements are likely to prove more than ample for normal peacetime commercial services—recently estimated by Admiral Land to call for 15,000,000 to 20,000,000 deadweight tons. This reasoning is predicated on the current supplementing of our pre-war fleet of about 11,000,000 deadweight tons, active and inactive, by new construction expected to aggregate more than 40,000,000 tons over the period from 1941 to 1944, inclusive. True, this will not be all net or direct gain for the United States, since there are losses and much of the new tonnage is being made available to our Allies.

It would hardly be practicable to maintain in constant readiness for war or national emergency a fleet of sufficient proportions to meet every conceivable future requirement of our own and those of our possible Allies, but it would be expedient to maintain a large active fleet, and to augment this by a substantial inactive reserve.

In the abstract, there appears to be general agreement on these points. A large active fleet, with trained personnel, is essential not only for the maintenance of adequate commercial services and for use in national emergencies, but also for the support of the shipbuilding industry and the continuance of shipyard employment on a large scale. It is a challenge to our ingenuity to solve these problems in the best interest of the American taxpayer, and of our national economy, as well as relations with foreign states conducive to the promotion of good will and lasting peace.

Post-War Fleet Maintenance Will Be Formidable Task

In peace, as in war, there is no place for defeatism. The magnitude of our task, however, is at least vaguely apparent from past experience and from present known conditions. Let us examine our experience during the 6 years pre-

ceding our entry into the present war. We succeeded in employing an average of about 9,000,000 deadweight tons in seagoing foreign and domestic services, composed 50 percent of freighters, 40 percent of tankers, and 10 percent of combination passenger and cargo vessels. Of this total fleet only about 3,300,000 tons were engaged in foreign service—nearly 60 percent being composed of freighters, 20 percent of tankers, and 20 percent of combination vessels. These proportions are on the basis of deadweight tonnage and are merely approximate. If the comparison were made on the basis of gross tonnage the proportions would be somewhat larger in the case of combination vessels and smaller in the case of cargo vessels.

Manifestly there is no basis at this time for any precise estimate of the potential employment of American shipping, after the war, in oversea foreign service. The future volume, direction, and composition of trade, together with the factors influencing its carriage, are all more or less obscure. Some indication of shipping possibilities, however, may be had from rough calculations, projected on past performance and assumed contingencies. Our pre-war foreign-going fleet of 3,300,000 deadweight tons carried about 30 percent of our seaborne international trade, from which it is apparent that approximately 5,500,000 tons might have been employed if 50 percent of our trade had been carried in American vessels. Under similar conditions, with like participation, but with double the volume of trade, it would have been possible to employ 11,000,000 tons of American shipping.

These figures would be increased somewhat in the event of additional employment in tramp and indirect services. Such gross simplification of the problem serves only one purpose—to emphasize the tremendous volume of trade required to maintain in profitable operation a fleet likely to be adequate for national defense. When it is opportune for a detailed analysis many factors will have to be taken into consideration—among them, paradoxically, is the improvement in the efficiency of modern ships, particularly the increased speeds which tend to diminish tonnage requirements by reason of greater carrying capacity during a given time. The importance of this factor, of course, will vary with changes in the proportion of modern tonnage composing the world fleet. A further consideration of far-reaching implications is the future development of air transport which may be expected to participate very largely in the carriage of passengers and express cargo.

Surplus Tonnage Has Been Problem in the Past

During the two decades preceding the present war, the world tonnage supply continuously exceeded the demand, and consequently a large amount was laid up for want of employment. The aggregate ranged approximately from 2,000,000 to 13,000,000 gross tons, 50 percent of which consisted of American vessels and 20 percent of British vessels, averaged over the years 1922 to 1939. These figures, however, are not fully indicative of the extent of unemployment, for the reason that no record has been kept of the empty space in vessels retained in service despite the shortages of cargo—especially vessels in the liner category. Several factors contributed to the superabundance of tonnage. The United States, impelled by the necessities of the First World War, built a large fleet of merchant vessels and, in the interest of national defense, kept many of them in service after the war, undertaking a program of continuous operation with gradual modernization. Meanwhile, foreign countries not only replaced their war losses but in many instances added substantially to their fleets. If trade had expanded on a corresponding scale, the inflation of ship tonnage would not have occurred. Unfortunately such was not the case.

As already indicated, the main problem after the war, at home and abroad, will be the provision of adequate shipping for national defense without seriously disturbing world economy. Undue inflation of tonnage will tend to burden the taxpayer or the shipper, hence trade itself, the very life of shipping. Much can be accomplished by international cooperation as demonstrated in pre-war years by conference organizations in both liner and tramp trades. Here again shipper interests must not be overlooked, for while freights are often not the controlling element in foreign sales they are not without influence on the volume of trade in which carriers and shippers have a mutual interest.

Peacetime Employment of American Shipping

The extent to which we will be able to utilize our vastly increased merchant fleet after the war will depend primarily on two factors: (1) The volume of our foreign trade, and (2) the distribution of the trade between foreign-flag and American-flag carriers. A third factor is the possibility of increased participation by United States vessels in the carriage of trade between foreign countries.

There appears to be considerable room for increasing the share of United States foreign trade and of international trade in general carried by American-flag vessels from the low pre-war percentage. Our importers and exporters can be of assistance by manifesting greater solicitude in patronizing American-flag services wherever practicable.

The amount of increase that can be achieved in this direction is, however, limited. We must bear in mind, for one thing, that *our* exports are other countries' imports and that our imports are *their* exports.

We must also remember that countries allied with us in this war have specialized in ocean shipping and have developed a high degree of skill in providing these services, just as we have become expert in the manufacture of automobiles, and that these countries are traditionally dependent on their merchant marines both as a means of employment and as a source of foreign exchange. The economic position of these countries, both internally and externally,

(Continued on p. 34)

Laid-up Steam and Motor Tonnage of Principal Maritime Countries

[In thousands of gross tons. As of January 1.]

Country	1922	1923	1924	1925	1926	1927	1928	1929	1930	19	1932	1933	1934	1935	1936	1937	1938	1939
Idle in home country:																		
United States—																		
Privately owned	781	703	541	417	458	457	544	603	447	1,105	1,646	2,069	1,457	1,221	913	[2] 2,329	594	1,043
Government-owned	4,528	4,625	3,730	3,806	3,662	2,319	2,434	2,213	1,559	1,469	1,385	1,519	1,362	1,359	1,267	1,180	754	787
Total	5,309	5,328	4,271	4,223	4,120	2,776	2,978	2,816	2,006	2,574	3,031	3,588	2,819	2,580	2,180	3,509	1,348	1,830
Great Britain and Ireland	1,961	1,010	909	705	613	529	539	467	521	2,355	3,113	3,096	2,045	1,449	698	334	172	590
Canada											63	138	100	150	58	37	37	21
Australia		106	[1] 85	166	51	71	93	41	90	171	133	106	50		6	5	17	23
France	1,085	730	450	202	134	118	80	132	91	219	743	931	831	455	422	236	117	149
Germany	(1)								8	484	1,010	1,103	523	312	124	[3] 14	[3] 2	[3] 10
Italy	585	472	427	136	140	128	276	261	180	653	807	619	441	289	188		123	467
Japan	120	99	29	25	35	48	85	53	90	343	352	256	154	88	46	None	None	14
Sweden	204	22		20	30		35	2	3	131	181	211	182	106	32	62	7	93
Norway	207	53	50	25	22	37	93	20	12	595	941	635	448	208	46	17	None	261
Denmark	161	17	13		63	20	26			91	185	167	61	58	28	11	10	31
Spain	530	520	128	60	44	35	43	22	22	120	138	373	348	251	135			
Greece	170	76	122	24	99	106	77	74	87	223	180	207	140	136	109	69	72	359
Belgium	275	170	86	26	21	14	1	4	14	77	187	177	126	82	26	33	None	
Netherlands	327	330	235	65	109	3	16		4	324	595	624	409	154	66	2	27	30
Other foreign countries	192	195	83	103	279	100	65	76	90	305	413	469	200	159	60	79	155	204
Grand total	11,126	9,128	6,888	5,780	5,760	3,985	4,407	3,968	3,218	8,665	12,072	12,700	8,877	6,477	4,224	4,408	2,087	4,082

[1] Commercial Attaché, Berlin, reports German idle tonnage negligible. [2] Longshoreman's strike. [3] Hamburg only.

Fountain of OIL in the Middle East

By Dorothy V. Knibb, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

JUST AS THE TRIBES OF OLD, led by a pillar of fire by night, sought the Promised Land beyond the Red Sea, so are the people of the world today seeking a promised land beyond the Red Sea, a land flowing not with milk and honey but with oil. And they hope to find this land in the Middle East—across the sands of Arabia from the holy city of Mecca; in the valley of the Tigris and Euphrates, where civilization was cradled; and in the territories of Cyrus and Darius, powerful kings of ancient Persia. For oil is there. Bearded geologists in recent years have walked through burning sands seldom before traversed by westerners; derricks have shot up within calling distance of sheiks' palaces; and pipe lines have been stretched through the former domain of Nebuchadnezzar. But *how much* oil is in the Middle East? Is it enough to satisfy for any length of time the needs of an anxious world faced with depletion of many other reserves while machinery is still geared to petroleum usage?

Countries' Characteristics

The section of the Middle East on which the petroleum spotlight is focused is an area of some 1,185,000 square miles (little more than a third as large as Continental United States) lying east of Suez, south of Turkey and the Caspian Sea, and west of India and Afghanistan. Within these boundaries is Iran, ancient Persia, a country of about 15,000,000 people, ruled by a shah. Iran has an area more than twice as large as that of Texas. In the north are very high mountains, and toward the south there are large hot and arid districts. Touching the western boundary of Iran is Iraq, known until after World War I as Mesopotamia. While there are high mountains in the northern part of the country, in the south is the famous and fertile Tigris and Euphrates Valley, traditional Garden of Eden. With a population of nearly 4,500,000 the country has an area not quite equal to that of Montana. Established as a mandate under British protection after World War I, Iraq now has full status as a constitutional monarchy ruled over by a king.

First well to prove the presence of petroleum some 2,000 feet down in the Damman structure, Saudi Arabia.

South and southwest of Iraq is Saudi Arabia, comprising the greater part of the Arabian Peninsula, which is bounded on the west by the Red Sea, on the south by the Gulf of Aden, and on the East by the Persian Gulf. With an area of 413,792 square miles (or about two-thirds the size of Iran), the country has a population of 5,500,000. It is ruled by a king. Bahrein Islands, the largest of which is 27 miles long and 10 miles wide, are in the Persian Gulf about half way up the coast of Arabia. With a population of 150,000 the islands are an independent Arab state under British protection, ruled by a sheik of the Khalifah family. The latest addition to the Middle East oil group is the triangle-shaped sultanate of Kuwait, also under protection of Great Britain. Kuwait has an area of 276 square miles—the size of Long Island—and a population of 50,000, who could be easily seated in half the Soldier Field Stadium in Chicago.

And so this is the much-discussed oil country in the Middle East—Iran, Iraq, Saudi Arabia, Bahrein, and Kuwait.

In Region of Great Rivers

The story of oil begins in Iraq, where, six thousand years ago, the inhabitants of the Chaldean cities of Ur and Kish used asphalt as mortar to hold bricks together. Later the citizens of Nineveh waterproofed their cisterns and baths with this product. It has been suggested, somewhat whimsically, that the Hanging Gardens of Babylon would have dripped down on the luxurious apartments below except for asphalt, and that Noah's Ark may have been calked with it.

Throughout ancient and medieval times, burning oil seepages were inextricably tied up with religious and mystic ceremonies in the valleys of the Tigris and Euphrates. But oil was not considered a product of high commercial value in Iraq until the twentieth century. The Allies of the first World War "floated to victory on a sea of oil," and interest in oil-bearing lands flared up. Nations looked with longing eyes toward the Iraq field.

Iraq: Inter-War Activities

Antedating World War I, both Great Britain and Germany had vague and unconfirmed oil concessions in the Mosul district in northern Iraq. After the war had ended, it became evident that the subject of Iraq's oil was a controversial one. Many nations clamored for the oil rights; and so, in order to avoid international misunderstandings, control of

the oil lands of Iraq was given by special action of the League of Nations to Iraq. In the same year, 1925, the Iraq Government granted a concession of land for exploitation to the Turkish Petroleum Co. Participation was modified in 1928 so that 95 percent of the Turkish Petroleum Co. was owned equally by: Anglo-Iranian Co. (British), Anglo-Saxon Co. (Royal Dutch Shell), Cie. Française des Petroles (French), and Near East Development (Standard Oil Co. of New Jersey and Socony-Vacuum Oil Co.), with the remaining 5 percent owned by an Armenian. While the original concession area covered 89,000 square miles, actual assignments embraced only about 192 square miles of territory until the agreement was modified in 1931. At that time the rights were clearly defined to cover the area lying in the Baghdad and Mosul districts east of the Tigris River, excluding the Transferred Territories (area transferred from Persian to Turkish sovereignty just before World War I); and the company agreed to give up rights in the country west of the Tigris. In the meantime the name of the company had been changed from Turkish Petroleum Co. to Iraq Petroleum Co.

The Kirkuk Field

The main field in Iraq—and the oldest in the world—is at Kirkuk, in the northeastern part of the country, about 150 miles due north of the fabled city of Baghdad. Operated by Iraq Petroleum Co., the field is said to be one of the world's best examples of unit operation, in which royalty owners and operators pool their interests and plan production along the most economical lines, securing maximum use of gas for optimum of oil. Actual production has been confined to a small area on the crest of the dome; other wells have been drilled for observation and control only. The potential of the field has never been established, and pipe-line facilities have limited production to about 81,000 barrels a day.

Pipe Line and Exports

Under an agreement between the Iraq Petroleum Co. and the Iraq Government, a pipe line 1,180 miles long was completed in 1934, 1 year ahead of schedule. Constructed in the shape of a Y, it starts at Kirkuk, and just south of the Euphrates River it branches off, one line going to Tripoli in Syria and the other to Haifa in British-mandated Palestine. One of the great engineering accomplishments of peacetimes, since the materials had to be carried over high mountains and the pipe line had to cross the turbulent and treacherous Tigris and Euphrates, it transported oil to the port refineries and thus made it important on world markets.

In 1938 Iraq exported to France 23,451,000 barrels of oil, nearly one-half of the total petroleum used by that country. In the same year 4,058,000 barrels went from Iraq to England and 1,770,000 barrels to Italy. All oil exported came from the Kirkuk field. It is believed that this field could supply the pipe line (annual capacity 30,000,000 barrels) for many years to come; plans for additional pipe-line facilities were abandoned at the outbreak of the present war.

Other Fields in Iraq

While the large part of Iraq's total petroleum production is from the Kirkuk field, several other fields have been established by three smaller companies, owned for the most part by the international group composing the Iraq Petroleum Co. The British Oil Development Co., Ltd., obtained in 1932 a concession in the area west of the Tigris. Though controlled by the international group, the concession was owned by Mosul Oil Fields. One member of its board of directors, according to agreement, was an Iraqui. The company produces oil which is so heavy that it cannot be transported readily by pipe line.

The Khanaqin Oil Co., since 1925, has operated in the Transferred Territories and refines petroleum for use in Iraq. The company produced in 1937, for example, 745,000 barrels. Diesel oil and other fuels are produced at a refinery in the area at an inexpensive rate. Actual marketing of products is done in Iraq through Rafidain, a subsidiary of Khanaqin Oil Co.

In 1938, after prolonged discussions which lent an aura of great importance to the matter, the Basra Co., also owned by the aforementioned international group, obtained oil rights in the southern part of Iraq. But the company had very little time before the war started to survey and explore the territory adequately.

War's Consequences

In 1939 the companies operating in Iraq were planning wide-scale programs of exploration and drilling; but the war not only seriously altered plans for expansion but also drastically cut down established production. Early in the period of hostilities Iraq continued to sell the major part of its oil to France and was able to supply the British fleet at Haifa, Cyprus, Suez, and Malta. But France fell, and shifting fortunes of war caused Britain to turn to western markets for naval needs. Early in 1940, the pipe line was cut at Haditha, which meant that no oil went to Tripoli; and repeated bombings at Haifa made shipping to that port extremely precarious. Since production at Kirkuk has always been limited by market demand (up to the capacity of the pipe line), production is believed to have dropped from 25,725,000 barrels in 1940 to 8,760,000 barrels in 1941.

What has happened in Iraq since 1940 is largely a matter of military secrets. In 1941 a secret treaty is said to have been engineered by an Iraqi rebel leader to give oil rights to the Axis; but it was never signed. Great Britain moved into the territory not to exploit the oil but to prevent its falling into enemy hands.

A law was passed in 1941 which forbade the Iraqi who owned shares in the oil companies to transfer or sell shares to any individual or company either within or without the country, except with permission of the Minister of Economy. It may be presumed that the pipe line has again been opened to both Mediterranean ports; and it is estimated that production of oil, having reached its lowest point in 1941, showed a steady increase through 1942 and 1943. Production for the month of October 1943 was estimated by generally well-informed sources to be 75,000 barrels a day. According to the preliminary report of the Technical Oil Mission to the Middle East, present production is 90,000 barrels daily.

One development of interest is the fact that in December 1942 all contractual agreements between the Iraq Government and British Oil Development were taken over by Mosul Oil Co., which is also owned by the international group. This eliminated the small interest formerly held by Iraqi, and it eliminated the one Iraqi member of the board of directors. It was agreed at the time of transfer that survey and drilling operations were to be suspended for a period ending 2 years after the signing of the final armistice ending all hostilities between the Allies and any Axis enemy. Advance royalties are to be paid the Government in return for this consideration.

How Much Oil in Iraq?

How much oil is in Iraq is a matter of conjecture, more or less inspired. Estimates made in 1938 indicated that 5 percent of the world's reserves are there. German sources have recently placed the reserves at 2,000,000,000 barrels; but United States sources believe them to be much higher. Operating companies have little trouble locating oil, and large sections of the country, which have not been fully explored, are geologically promising. Further, it is evident that the companies there are alert to take any opportunity to increase their concessions. And the companies that have produced Iraq's oil are the best judges of the potential production of the area.

Iran, Biggest Producer

Among the Persian Gulf countries rich in oil, by far the greatest producer so far is Iran. With 1940 production of about 78,000,000 barrels, this country ranked fourth among world producers of petroleum, surpassed by only the United States, the U. S. S. R., and Venezuela; and the cumulated total oil obtained there by 1940 was more than 1,000,000,000 barrels.

In 1901, William D'Arcy, having made money in Australian gold, obtained for $20,000 a concession covering roughly 500,000 square miles of territory, a large part of the Persian kingdom. The Anglo-Persian Oil Co., later called Anglo-Iranian Oil Co., Ltd., was formed in 1909 to work this area which extended over the whole southwestern part of the country. Modern production began in 1913; and in 1914 the British Government secured a controlling interest in the company, which has operated continuously since that time under the original contract, with a revision of royalty arrangements in 1933. In 1937 an agreement was signed between the Shah and the Amaranian Oil Co., an American concern, whereby the company received oil rights in the northern part of the country. The concession was never exploited and was returned to the Iranian Government in 1938. Thus, Anglo-Iranian, with its subsidiary, Kermanshah Petroleum Co., was at that time the only one operating in Iran.

Employing as early as 1933 some 8,000 natives and contributing importantly to the exchequer of the country, the Anglo-Iranian Co. has unitized production so that recovery has been economical. Production has been limited by market demands rather than by the country's potential. Iran is generally considered to be one of the greatest single oil fields of the world.

Centers of Iran's Output

Iranian production is centered chiefly in three fields—Masjid-i-Sulaiman, the top producer before 1935, and Haft Kel, the top producer since 1935, both of which are in southwest Iran near the head of the Persian Gulf; and a third, Haft Khaneh, which is farther north and just 150 miles across the mountains from Baghdad. A fourth field at Gach Saran in southwest Iran promises to be a very fine one; but war interrupted plans to build a pipe-line outlet for production. Other areas, with almost negligible production so far, also are promising. A notable fact is that only small numbers of drillings are necessary to locate oil in many places.

Refining is done in three plants. One, with a 3,000-barrel daily capacity, is located at the Naft Khaneh field, where crude oil is distilled and fractionated products blended as needed for transportation by pipe lines, remaining fractions being put back into the ground for future recovery. This is done by Kermanshah Petroleum Co. The main part of the refining is done in two plants near the head of the Persian Gulf, one at Bandar Shapur, with daily capacity of 50,000 barrels, and the other at Abadan with daily capacity, since 1940, of 280,000 barrels. (Abadan is one of the great refineries of the world, comparable in size to those in Curacao and Aruba). Oil is brought by pipe line to these refineries from the two great fields of Masjid-i-Sulaiman and Haft Khaneh. Finished products are shipped out through the Persian Gulf.

Importance Mounts

Since 1936, when Rumania's crude production began to decline sharply, Iran's oil has been increasingly important on world markets. Before the war, Iran's best customer was the British Empire, with the United Kingdom (including Northern Ireland) buying in the fiscal year 1939–40 a total of 24,404,000 barrels of Iranian oil. (Britain's total imports of petroleum and products that year were 92,403,000 barrels, of which nearly 31,000,000 barrels came from the British West Indies.) The Union of South Africa was Iran's second-best customer, buying 10,187,000 barrels. British India, with purchase of 5,320,000 barrels, held third place.

The statement on the next page shows total exports of petroleum and products from Iran, in thousands of barrels, for certain years between 1925 and 1940:

Believe it or not, but these are American geologists who have been studying Middle Eastern petroleum resources.

Year	Thousands of barrels
1925	2,665
1928	29,236
1931	39,869
1934	53,652
1937	58,628
1938	69,111
1939	69,834
1940	60,342

Situation Today

Only scant information as to what has happened to the oil industry in Iran since the war is available. It is believed that production decreased slightly in 1940 and that exploration, survey, and construction ceased entirely for some time. Under adequate protection the refineries have continued to operate, and supplies have flowed through the Persian Gulf to the Allies.

At the present time daily net production from the combined fields of Iran is estimated to be 275,000 barrels. Supplied by the pipe lines and stored crude oil, the refinery at Abadan is said to be currently running at top output, and plans to increase its capacity are under consideration.

Estimates as to Iran's reserves vary, of course, but the belief that they are in billions of barrels is unanimous. Iran will continue to be of great importance in the over-all picture of petroleum in the Middle East.

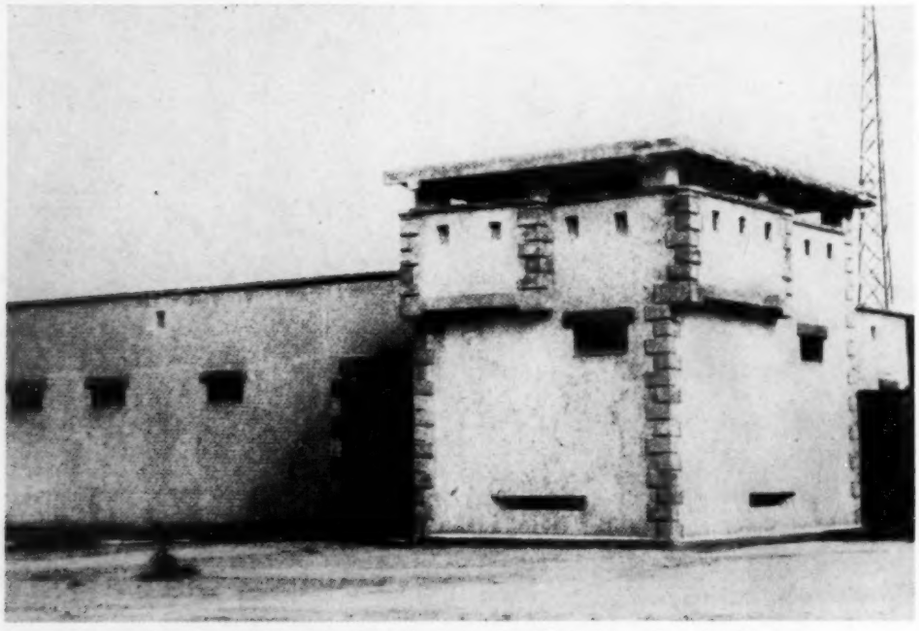
Bahrein Transformed

"Oil is where you find it," and in the 1930's it was found not only in the great expanses of Texas but also on Bahrein, infinitesimal Persian Gulf island. An ancient mart for Indian trade, Bahrein had long been a center of the pearl-fishing industry. But life has changed on this torrid strip of sand, with industrial emphasis on petroleum instead of pearls. An air-conditioned city has sprung up for the foreigners who have come to live there; thousands of natives have found lucrative employment; and ships from strange lands tie up at the loading dock a short distance out in the gulf.

As early as the 1890's there was an oil "agreement" between the Sheik of Bahrein and the British Government; but British geologists repeatedly reported to the Government that oil in paying quantities was not there. Rights were finally secured by Standard Oil of California, who sent out their first geologist and operating man in 1930. In 1931, the Bahrein Petroleum Co., Ltd., was formed. The company was then owned wholly by Standard of California, but in 1936 the Texas Co. was admitted to half interest because that company had marketing facilities in Europe and Asia. In 1932 oil was discovered. By 1938 cartographers were putting on their maps this little island with an area less than half that of the city of London, for in that year Bahrein produced more than 8,000,000 barrels of oil and ranked in fourteenth place as a world producer of petroleum.

On December 11, 1937, the Sheik of Bahrein officially opened the company's refinery on the island. With a daily capacity of 25,000 barrels, the plant contained cracking units with 12,000-barrel capacity. Crude oil, with 33° API,[1] is brought in from the wells by a pipe line gathering system. A high-grade gasoline, kerosene, and Diesel and fuel oils are produced. Finished stocks are stored in tanks, which in 1937 had an aggregate capacity of 1,500,000 barrels. Since the island is in shallow water, a submarine pipe-line system, designed to handle between 25,000 and 35,000 barrels daily, was built out in the gulf to deep water, where the oil is loaded on tankers and started on its way to markets, chiefly in Europe and Asia.

[1] Crude oils range from 5 to 65 API. The lighter the oil the higher is the API. Oils with a high API generally, but not always, yield a high percentage of gasoline.



Pumping station (and fort) on the Iraq Petroleum Co. pipe line.

Island's Progress

In 1937 a new producing horizon was discovered, and repressuring of the "second pay" by gas was begun. Repressuring of a limestone cavern on so large a scale was an innovation in the petroleum industry.

With producing zones at 2,000, 4,000, and 4,600 feet, by January 1, 1940, Bahrein Island had 71 producing wells. Refinery capacity by that time had been increased to 32,500 barrels daily, and Bahrein's products had been established on world markets. Belgium in 1936 bought 1,043,900 barrels, taking first place among European customers. In 1937 France bought 963,000 barrels, while in the same year Italy purchased 839,500 barrels.

By reason of a happy combination of circumstances, Bahrein products have been most inexpensively produced. In the first place, production is from relatively shallow wells. Second, oil has to be transported only a few miles by pipe line before it reaches the tanker. Third, the crude is of such a nature that it yields a high percentage of gasoline.

The following statement shows Bahrein production from 1932 to 1943:

Year	Thousands of barrels
1932	1
1933	31
1934	285
1935	1,265
1936	4,645
1937	7,762
1938	8,298
1939	7,589
1940 [1 2]	7,074
1941 [1 2]	6,794
1942 [1 3]	7,800
1943 [1 3]	8,000

[1] Estimated production.
[2] United States Bureau of Mines, International Petroleum Trade.
[3] Estimated by Oil Weekly.

1938, for example, this slab of desert in the sea, under restricted production, could have supplied more than seven-eighths of the total fuel requirements of the United States Navy. As a center of refinery operations it is becoming increasingly important. Facilities are being increased to a daily capacity of 58,000 barrels. A high-octane gasoline plant with 44,000 barrels throughput per day is being constructed there. Pre-crisis estimates of resources were 150,000,000 barrels. Current estimates put them *very* much higher.

In Saudi Arabia

Saudi Arabia, land of Bedouins, camels, and desert, was long regarded by European and Asiatic nations as a potential source of oil; but it was not until July 1933 that Standard Oil Co. of California obtained from King Ibn Saud a 60-year concession covering about 165,000 square miles of sand dunes and rocky wastes in the eastern part of the Kingdom. Thus, one of the most isolated countries in the world was opened up to western business and was started on its meteoric rise to a position of importance in global oil strategy. Geologists, engi-

neers, and production men, dressed in Arabian costumes and wearing beards, went into the desert on dual missions as oil men and diplomats.

After careful geological surveys in the district of El Hasa along the eastern coast of the Persian Gulf, the company in 1935 began its first test drilling with 10 wells, but early borings between 2,000 and 3,000 feet did not prove commercially significant. In June 1936 a real strike was made in the Damman structure about 6 miles from Al Khobar on the Persian Gulf and about 25 miles from Bahrein Island. Oil with 53° API was brought in at 2,152 feet. Company activities for the year included building a road from the camp to Al Khobar and constructing a stone wharf at Al Khobar for landing of freight transshipped from Bahrein. The Texas Corporation was admitted to half ownership of California Arabian Standard Oil Co. in consequence of marketing facilities which the former concern had. Production in 1936 was 20,000 barrels.

Promising Vistas Open

Production in Saudi Arabia rose from 65,000 barrels in 1937 to 495,000 barrels in 1938. The operating company in that year announced that the country had important commercial reserves. They stated further that the commercial producing zone on the Arabian mainland begins at 4,700 feet. Three wells were deepened from 2,000–3,000 feet to 4,700 feet, where 35° API oil with asphaltic base was discovered. New drillings to the same depth were made.

Company activities for the year included the building of a 6-inch pipe line to Al Khobar and the construction of an air-conditioned village with ample recreational and health facilities for the Americans (who numbered 180) located there. The company gave employment to approximately 2,500 natives.

A field gathering system was completed in Damman in 1939; and three tanks of 59,000 barrels each were built at the field. In June of that year a 10-inch pipe line was completed from the field to Ras Tanura, where the company constructed three tanks of 134,000 barrels each. Oil was taken to Bahrein for refining. Shortly after the opening of the pipe line, which was officially done by the King, the concession held by California Arabian Standard Co. was increased by 89,000 square miles. The new concession, which is to run for 60 years under the same conditions as the old, includes Saudi Arab interest in the Saudi Arab-Kuwait Neutral Zone and Saudi Arab-Iraq Neutral Zone.

By the end of 1939 there were 16 producing wells; and output of 3,855,000 barrels made Saudi Arabian oil important on world markets.

In 1940 a wildcat well was brought in at Haeriya, about 100 miles north of Damman. Nineteen wells produced that year an estimated 5,365,000 barrels. A small refinery, processing about 3,000 barrels a day, was completed at Ras Tanura.

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Steel derricks such as this are often a source of wonderment to the natives of the Middle East.

Still in Early Stages

Most of the operating company's activities so far have been centered in the area lying about 200 miles along the coast of the Persian Gulf, extending inland from 50 to 100 miles. The concession as a whole is in the early stages of development, and it is known that the producing fields are large. Present production does not exceed 15,000 barrels a day, but this will be increased in the near future. The California Arabian Standard Oil Co., having recently changed its name to the American Arabian Oil Co., is planning to build a refinery with daily capacity of 50,000 barrels on the Arabian mainland as soon as materials can be assembled.

In the panoramic view of oil reserves in the Middle East, Saudi Arabia is the provocative unknown quantity, and therefore it is the focal point of interest. Most observers concur in the opinion that reserves are very large.

Kuwait's Potentialities

There is no history of oil in Kuwait; it is yet to be written by the finger of time, and, if all indications are borne out, the story will be an exciting one. Oil rights were obtained in 1934 by the Kuwait Oil Co., owned jointly by Gulf Oil Co. and Anglo-Iranian. In 1938 the discovery well with a daily potential of 4,400 barrels was brought in, and later in the same year a second well with greater possibilities was completed. A third well was drilled in 1939. Since that time a second field is said to have been discovered. When operations ceased in 1942 a total of nine producing wells had been established. All wells are said to be shut in at the present time awaiting outlet facilities.

Current observers believe that Kuwait's reserves are very great, the lowest estimates being half a billion barrels and the highest more than 5,000,000,000.

Significant Comparisons

It is to this part of the Middle East, land of lore and legend, that the world is wishfully turning for oil. As to reserves in the area as a whole, opinions vary; and out of the wide range of estimates two figures have been chosen, not because they are the favored ones but because they offer interesting comparisons. If the reserves are 14,000,000,000 barrels, they would equal the amount of oil used by the entire world during the 7 years from 1934 through 1940. If they are 20,000,000,000 barrels, they would equal two-thirds of the amount of oil produced in the United States from the discovery of Drake's well in 1859 through 1943.

As time brings further developments, the enigmatic Middle East will yield the answer.

One-Way Traffic—To Germany

Transportation facilities within Germany have been so badly disrupted by Allied air raids that the Nazis are reportedly taking trailers from the Dutch despite the fact that many of the vehicles were used as stationary dwellings. The Nazis had already confiscated most of Holland's 210,000 motor conveyances of all types, while the remaining private automobiles could not be used by reason of the lack of gasoline and other fuels.

The Nazis had specified that trailers should be surrendered in good condition. But many Hollanders had sold the wheels, put their trailers on blocks, and used them as living quarters. This did not deter the Nazis. They appropriated whatever there was left of the vehicles—furnishings and all.

The confiscation order, according to an underground newspaper, also included a large number of moving vans which are pressed into service to evacuate the millions of Germans made homeless by Allied bombings.

Swedish exports of wood products in 1943 amounted to only 200,000 standards, against 380,000 standards in 1942 and 490,000 in 1941, says a statement just issued by the American-Swedish News Exchange. (In 1937 Sweden exported about 865,000 standards.)

Future Export Markets For U. S. Pulp and Paper

By GEORGE R. COXE, *Pulp and Paper Unit, Bureau of Foreign and Domestic Commerce*

FOR MANY YEARS the United States has ranked as the world's largest manufacturer of pulp and paper, but its export trade has been comparatively insignificant as related to production, representing only about 2 to 3 percent of tonnage output. Compared with other important pulp and paper manufacturing countries such as Sweden, Finland, or Canada, our exports have been proportionately very small. In general, the United States industry, in the past, has evidenced little interest in export trade. In spite of this, our export business in pulp and paper is of considerable economic importance and certainly cannot be ignored. In the 5-year period 1935–39, United States sales abroad of paper base stocks and paper and manufactures averaged approximately $40,000,000 a year.

Pre-War World Trade

Prior to the war, there existed a surplus of manufacturing capacity in the world's pulp and paper industries in relation to world demand for these products. This situation, coupled with the fact that pulp and paper is produced in many countries, led to strong international competition and a maze of complicated marketing practices.

For many years, Sweden and Finland led the world as producers of pulp for export, followed by Canada, Norway, the United States, Austria, Germany, Czechoslovakia, and a number of other countries. On the other hand, Canada led the world as the largest tonnage exporter of paper, this being primarily newsprint for the United States. Following, in order of importance in 1938, were Finland, Sweden, Germany, Newfoundland (also newsprint), Norway, the Netherlands, the United Kingdom, Japan, and the United States.

The largest import markets for pulp in the pre-war period were the United States, Great Britain, France, Italy, Germany, Belgium, and the Netherlands. The largest importers of paper were the United States (principally newsprint from Canada), the United Kingdom, Australia, Argentina, China, India, and France. Although these were the most signficant markets, it must be kept in mind that about 40 countries in all imported pulp, and practically every country of the world imported paper, notwithstanding that paper of one grade or another was produced to some extent in nearly every country.

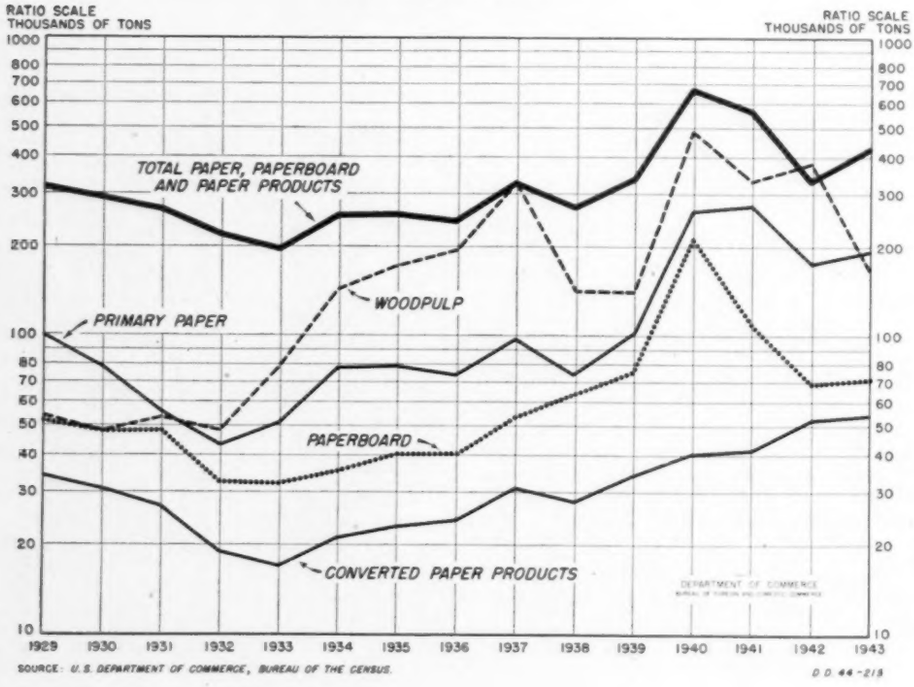
During the period 1929–38, world exports of wood pulp from the principal exporting countries averaged about 5,432,000 short tons per year, of which the United States accounted for 133,000 tons, while world exports of paper and manufactures from the principal producing countries averaged around 5,823,000 tons a year, with United States exports averaging 260,000 tons.

United States Position

The value of wood-pulp exports from the United States rose from $2,729,300 in 1929 to $6,493,140 in 1939. This trend was marked by increases in shipments of the special chemical grades of bleached sulphite pulp and unbleached sulphate (kraft) pulp. Exports of special chemical grades of bleached sulphite pulp rose from 48,000 tons in 1939 to 115,000 tons in 1940. Exports of unbleached sulphate pulp jumped from 14,816 tons in 1939 to nearly 159,000 tons in 1940. The principal foreign markets for United States wood pulp in 1939 were Canada, the United Kingdom, Japan, France, Belgium, Brazil, Cuba, Mexico, Australia, British India, Argentina, and Italy, in the order of their importance.

Over the 1929–39 period the value of exports of paper and manufactures fell from $37,086,000 to $30,492,000, but total exported tonnage increased more than 7 percent. The principal markets for paper in 1939 were Canada, the United Kingdom, the Philippine Islands, Cuba, Mexico, Argentina, the Union of South Africa, Venezuela, the Netherlands Indies, Colombia, China, Australia, Brazil, and British India. The numerous other countries buying United States paper and manufactures each took less than $500,000 worth during 1939. During this 1929–39 period, tonnage exports of printing papers declined 23 percent (the drop being mainly in newsprint); wrapping papers increased 36 percent; writing paper increased 35 percent; other papers increased 22 percent; building papers and boards increased 25 percent; and paperboards increased 44 percent (entirely on account of container and boxboards). Total exports of converted paper products remained practically unchanged, the losses in envelopes, boxes and cartons, and papeteries being approximately balanced by gains in sanitary tissue products and paper bags.

UNITED STATES EXPORTS OF PULP AND PAPER, 1929-1943



Post-War Prospects

What are the prospects for this trade in pulp and paper after the war? In "Foreign Trade After the War" [1] a purely hypothetical statistical projection indicates a possible export in 1948 of $27,300,000 of paper base stocks, a gain of 133 percent over 1938, the last normal pre-war year; and of $59,500,000 of paper and manufactures in 1948, an increase of 130 percent over 1938. This projection assumes 1948 to be the third post-war year, following a period of world rehabilitation and adjustment.

On the basis of total exports of $7,000,000,000, a hypothetical distribution of exports by commodity groups was made in accordance with their past relationship to the total. In the case of paper and paper products the correlation during the 11-year base period 1929–39 was reasonably close. This may be accounted for by the fact that exports of these products are made to many countries throughout the world, and, since paper consumption in most countries varies in proportion to general economic conditions, it is reasonable to assume that paper and paper-product exports followed, in general, the trend of total exports of all commodities.

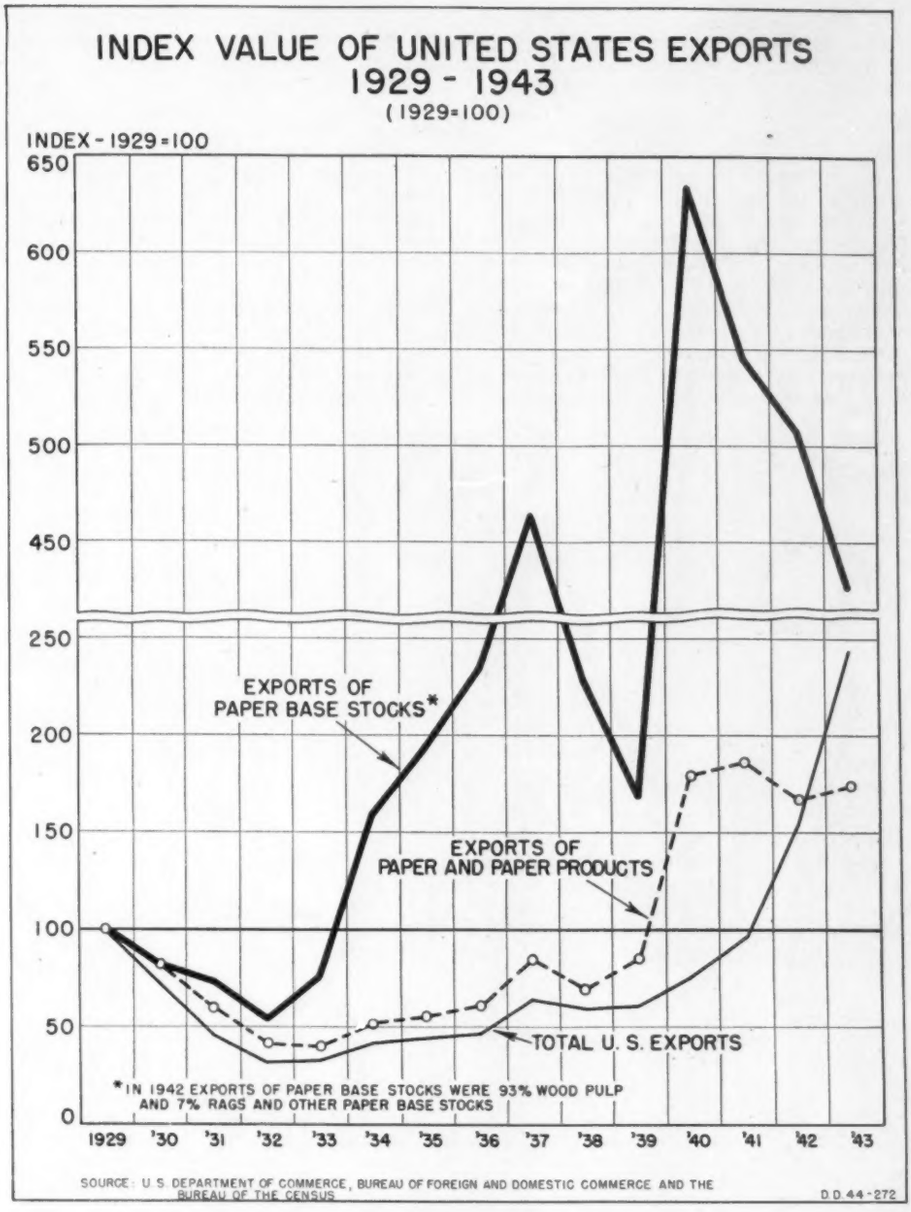
On the other hand, there was little close relationship between exports of paper base stocks (of which wood pulp is the principal component) and total exports of all commodities. During the 10 years prior to 1938, Japan took annually from 50 to 85 percent of our total exports of wood pulp (primarily rayon grades of bleached sulphite) so that this single country exerted a major influence upon total exports of paper base stocks. Since total exports of commodities to a single country, such as Japan, do not necessarily follow the pattern of total exports to the world, the projection into 1948 for paper base stocks seems questionable.

The hypothetical projections for exports of pulp and paper are, however, not unreasonable. Exports of paper and manufactures amounted to $86,983,000 in 1919 and to $89,072,000 in 1920, post-war years of World War I. By 1940 the export demand was already influenced by business that before the present war went to other supplying countries. Our exports of paper and manufactures in 1940 were valued at $65,128,000, well in excess of the projected $59,500,000 for 1948. United States exports of wood pulp in 1940 amounted to $29,737,000 as against $27,300,000 projected for 1948.

Determining Factors

The extent of the United States export trade in pulp and paper in the post-war period will depend primarily upon (1) domestic demand and the capacity to supply it plus an additional supply for export; (2) the extent of increase in world demand due to generally increased economic activity, industrialization, and social advances in terms of education and literacy; and (3) foreign production and supplies in relation to world demand upon which the degree of price competition and profitable trade will depend.

[1] Published by Bureau of Foreign and Domestic Commerce, Department of Commerce, October 1943.


INDEX VALUE OF UNITED STATES EXPORTS
1929 - 1943
(1929=100)
INDEX - 1929=100
650
600
550
500
450
250
200
150
100
50
0
EXPORTS OF PAPER BASE STOCKS*
EXPORTS OF PAPER AND PAPER PRODUCTS
TOTAL U. S. EXPORTS
*IN 1942 EXPORTS OF PAPER BASE STOCKS WERE 93% WOOD PULP AND 7% RAGS AND OTHER PAPER BASE STOCKS
1929 '30 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41 '42 '43
SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF FOREIGN AND DOMESTIC COMMERCE AND THE BUREAU OF THE CENSUS
D.D. 44-272

Demands on U. S. Mills

What will be the position of the pulp and paper industry during the immediate post-war period when industry as a whole will be reconverting its plants and resuming its normal peacetime activities? Will there be a sharp drop in orders and production? The pulp and paper industry itself has no mechanical reconversion problem because its plant equipment could not be converted to the manufacture of other goods.

The anticipated cessation of hostilities in Europe some time before the end of the war in the Far East will tend to ease the impact of any sudden cancelation of all war requirement. Another factor which will tend to offset the effect of the cancelation of war orders will be the demand caused by replenishing of depleted stocks of practically all types of paper. There may be a drop in direct domestic consumer needs for some types of paper. For example, during the period of general reconversion the over-all demand for packaging materials may be reduced. Likewise the timing of reconversion may have great influence on the variations in the demand for different grades of paper.

But it is likely that the unsatisfied over-all demand will be so great that such decreases will not bring total demand below the production capacity of the industry in the immediate post-war period. The factor which will have the greatest influence at that time on production will be the supply of pulpwood. How long it will take to bring pulpwood cutting up to pre-war levels is problematical. Even with an increase in wood cutting, it normally takes about a year before the tree is converted into paper.

All in all, the capacity of the pulp and paper industry will be taxed (1) to meet

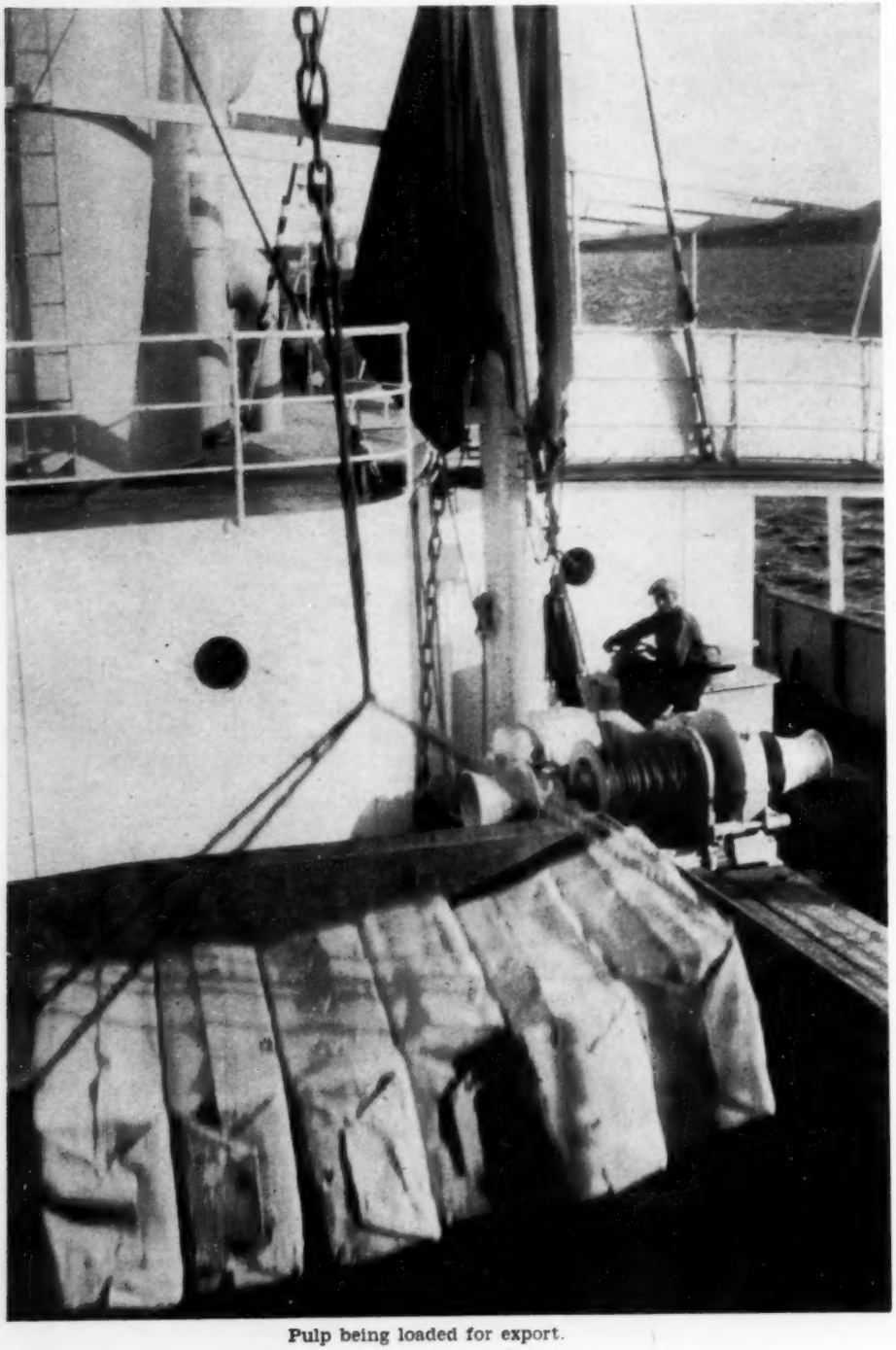
the pent-up demands for all types of paper made scarce during wartime, (2) to replenish depleted inventories, and (3) to meet the indirect export demand.

Varied Influences

As reconversion progresses, the domestic requirements for paper will increase in like proportion. The demand for such goods, unsatisfied during the war, plus the pent-up purchasing power throughout the country, will, in all probability, create an unprecedented volume of civilian orders and, as these goods are manufactured, a corresponding demand for paper. War requirements have developed many new uses for paper and many new products, such as weatherproof fiber shipping containers, and undoubtedly post-war developments will create considerably more new uses. Moreover, Europe, the Far East, and Latin America will, while European mills are being rehabilitated, look to the United States for fulfillment of a large part of current demand as well as for the replacement of stocks of paper unobtainable during war years. In addition, there will be the indirect export demand for packaging the food and other items urgently needed by the war-torn countries of the world.

At present all indications support the assumption that there will be no surplus supply of pulpwood, pulp, or paper in the United States for at least 2 or 3 years after the war in Europe ends. It may take as long as 5 years before production returns to normal in all European countries. Unless current trends are radically changed, inventories of wood, pulp, and paper will be at extremely low levels when peace comes, and about 2 years of normal production will be needed to replace them.

Thus, while domestic consumer demand may decrease somewhat during the immediate post-war year or two, the replacement of inventories plus the direct and indirect export demand is likely to exceed the domestic capacity to supply it.



Pulp being loaded for export.

Geographic Point of View

There is no reason to believe that with the cessation of hostilities there will be any sudden or important geographical change in export markets for United States pulp and paper as compared with 1938, except that Japan will probably not be in a position to resume buying the special grades of bleached sulphite pulp. There is, however, the distinct probability that Australia, New Zealand, China, India, and other Far Eastern countries eventually will become increasingly important buyers of United States paper and paper products.

As a result of the war, United States products of many kinds, including paper and paper products, are becoming favorably and increasingly well known throughout the world, with the American soldier playing the part of super-salesman. American manufacturers are gaining valuable knowledge regarding the varying requirements for suitable export packaging for different markets, which is a potent factor in building goodwill.

Domestic Production Capacity

Prior to the war, there was considerable excess (in relation to demand) of domestic manufacturing capacity in the pulp and paper industry. Few mills were able to maintain production at full capacity. This situation was particularly true with reference to wood pulp. Illustrative of this country's capacity to produce paper, the output in 1941, the peak of the current war period, was more than 60 percent over that for 1938. However, immediately after the war, a considerable part, if not all, of the old marginal capacity now pressed into service will probably go out of production as new, more efficient equipment and mills are built.

Because of shortage of maintenance and repair materials, inexperienced labor, and pressure for maximum production during the war, pulp and paper machinery will be in need of extensive overhauling, replacements, and modernization. For these purposes and for new mills and equipment, it has been estimated, through a survey conducted by "Paper Mill News" that the industry plans to spend $200,000,000 during the first post-war year. (This is a purely statistical estimate based on a fair sample of the industry.) The total includes the cost of several new integrated mills for the production of newsprint, paperboard, insulating board, and specialty papers

which are likely to be built in the South. In addition, there is the possibilty of one or two new mills being built in the west-coast area and two new United States-owned pulp mills which are already planned for Canada. No estimate of the production capacity of these new mills is available, but, plus the modernization of existing equipment, the increase in the total capacity of the industry will be considerable.

Thus, with this program of expansion, when the peak of the early post-war demands has passed, the industry may find that again its capacity is greater than domestic demand. Such a possibility should prove to be a potent factor in influencing industry to become more "export-minded' than in the past.

Effect of Industrialization

Experience has shown that the increase in consumption of paper in the United States over a period of years is closely related to the rising index of industrial production. It can safely be assumed that such a pattern is followed in other countries and that their consumption of pulp and paper will depend in large measure on an increase in industrialization. Greater education resulting in a wider culture will also increase the consumption of paper.

The ending of normal international trade with the outbreak of war placed many countries in a position where they have to rely mainly on their own production to supply the local demand for goods previously imported. This has led to greater industrialization and consequently larger income. Although some of these new factories produce pulp and paper, the generally increased purchasing power will create a greater over-all demand for paper, albeit the requirements may be for grades differing from those imported in pre-war years. It is probable that this expansion in industrialization will continue with the return of normal conditions after the war, but progress is slow in countries which are largely agricultural or primarily producers of raw materials.

World Production vs. Demand

In 1937 world exports of wood pulp from the 16 principal exporting countries amounted to some 7,231,000 tons. This was about 28 percent of total pulp production of around 25,662,000 tons in these same countries. The United States share in this export trade was 323,000 tons, or only 4.5 percent.

In the same year, world exports of paper, paperboard, and manufactures, as measured by exports from the 16 principal exporting countries, was around 7,397,000 tons, being *26* percent of total production in these countries, estimated at 28,090,000 tons. United States exports of paper, paperboard, and converted products in 1937 amounted to 224,000 tons, representing only 3 percent of world exports.

The following table shows production and exports of pulp, paper, and paperboard from the principal producing countries in 1937:

Production and Exports of Wood Pulp, Paper, and Paperboard in Selected Countries in 1937

[Quantities in thousands of short tons]

Country	Wood pulp			Paper and paperboard		
	Production	Exports		Production	Exports	
		Quantity	Percent of production		Quantity	Percent of production
United States	6,573	323	4.9	12,837	224	1.7
Austria	456	205	44.9	346	17	4.9
Canada	5,141	871	16.9	4,345	3,568	82.1
Czechoslovakia	397	150	37.8	349	84	24.0
Finland	2,515	1,610	64.0	845	703	83.1
France	393	4	1.0	n. a.	73	n. a.
Germany	2,737	183	6.7	3,933	551	14.0
Great Britain	222	8	3.6	[1] 4,738	220	4.6
Italy	208			[2] 563	19	n. a.
Japan	993	3	.3	[3] 1,066	100	9.3
Netherlands	133	2	1.5	[4] 269	376	n. a.
Newfoundland	353	3	.8	[5] 350	334	n. a.
Norway	1,207	1,052	97.1	487	380	78.0
Poland	191	3	1.5	[6] 187	12	n. a.
Sweden	3,219	2,814	87.4	1,079	732	67.8
U. S. S. R.	924			1,008	4	.4
Total	25,662	7,231	28.1	n. a.	7,397	n. a.

n. a.: Not available.
[1] 1935, latest available official figures.
[2] Does not include production of mills constructed since 1933.
[3] Unofficial statistics.
[4] Does not include rag-content papers nor strawboard.
[5] Newsprint only.
[6] January–October.

Source: Official foreign-trade statistics of the various countries.

United States Exports of Wood Pulp, Paper, and Paper Products

[In short tons]

Commodity	1929	1931	1933	1935	1937	1939
Total wood pulp	54,100	53,300	79,300	171,700	322,544	139,504
Total, paper and paper products	315,157	266,154	194,883	255,592	320,899	337,566
Paper, primary	100,130	56,443	51,432	79,497	97,950	102,408
Newsprint	18,695	9,653	11,148	22,475	17,045	13,495
Book, not coated	18,909	9,512	9,190	9,956	14,961	15,387
Cover paper	1,027	856	412	700	795	833
Greaseproof and waterproof	1,454	2,317	2,359	2,928	4,521	4,620
Wrapping, except kraft [1]	21,941	14,307	12,187	19,615	18,587	17,608
Kraft wrapping paper					4,598	9,614
Surface coated paper	8,659	2,538	3,065	3,979	5,294	7,076
Tissue and crepe paper	2,399	1,489	1,908	2,377	5,251	6,447
Sheathing and building paper	11,248	7,513	3,608	4,224	7,326	6,778
Blotting paper	1,803	926	792	997	1,456	1,564
Writing paper	13,995	7,332	6,763	12,246	18,116	18,986
	51,341	47,524	32,447	40,208	53,249	74,567
Paperboard						
Kraft container board [2]	26,729	26,517	22,316	26,341	34,992	42,742
Other boxboard						14,055
Bristols and bristolboard	1,454	838	667	1,147	1,555	1,296
Other paperboard [3]	23,658	20,169	9,464	12,720	16,702	16,474
	30,218	19,385	15,244	19,951	26,862	24,231
Wallboard and insulating board						
Fiber insulation	11,407	14,298	12,560	16,677	23,406	17,065
Wallboard, pulp, or paper	18,811	5,087	2,684	3,274	3,456	7,166
	34,260	26,976	16,964	22,587	31,445	33,996
Converted paper products						
Toilet paper	3,517	3,518	3,318	4,142	5,760	5,268
Paper towels and napkins	1,809	1,758	801	1,238	2,025	2,980
Filing folders	817	650	422	435	623	610
Papeteries	428	136	64	125	165	140
Wall paper	576	827	273	351	524	449
Paper bags—						
Heavy [4]	6,030	5,947	5,474	6,841	10,160	2,609
Other						6,563
Boxes and cartons—						
Heavy [5]	14,060	7,241	3,465	5,447	6,928	5,404
Other						4,283
Envelopes	1,211	773	461	428	481	539
Vulcanized fiber	3,058	1,727	1,401	1,838	2,549	2,396
Cash-register, etc	2,754	4,399	1,285	1,742	2,230	2,755
Other paper and paper products	21,669	11,770	6,992	10,150	14,484	16,729
Overissue and old newspapers	77,039	104,056	71,804	83,199	96,909	85,635

[1] Total wrapping paper. No break-down until 1936.
[2] Total container boards and boxboards. No break-down until 1939.
[3] In 1929 included some strawboard.
[4] Total paper bags. No break-down until 1939.
[5] Total shipping containers, folding and set-up boxes. No break-down until 1939.

Source: U. S. Department of Commerce, Foreign Commerce and Navigation of the United States.

(Continued on p. 35)

Cuba in 1943—

Prepared in American Republics Unit, Bureau of Foreign and Domestic Commerce, on Basis of Report From ALBERT F. NUFER, *Counselor of Embassy for Economic Affairs, U. S. Embassy, Habana, Cuba*

ECONOMIC CONDITIONS IN CUBA improved steadily throughout 1943, continuing the favorable trend which, with the exception of a brief interval in 1942, has been uninterrupted since the latter part of 1941. The improvement in the over-all situation continued despite the fact that the nation's first crop, sugar, was considerably smaller than in 1942. Greater activity in most other lines, accompanied by higher wage levels and encouraged by increased domestic demand and generally high prices, tended to offset the effect of the smaller sugar crop. Owing partly to a backlog of goods which normally would have been shipped in the preceding year but which, because of the shipping situation, could not be moved until 1943, Cuba's foreign trade last year was the greatest on a value basis since 1927, and Government revenue collections were the highest in the history of the Republic.

Higher wages resulted in increased purchasing power, and improved conditions generally were reflected in various ways. There was a heavy demand for consumer goods of all kinds, an increase in savings deposits and current accounts, the repurchase by Cuban investors from holders abroad of large amounts of Cuban Government bonds, and an accelerated rate of private building construction. While most sectors of Cuba's economy reacted to the stimulated activity in 1943, the industries which benefited most were the tobacco, mining, distilling, canning, and hard-candy industries.

NOTE.—A fuller and more detailed review of economic conditions in Cuba in 1943, in mimeographed form, will be made available upon request. Interested persons should apply to the Bureau of Foreign and Domestic Commerce, Washington.

Food Situation

Although occasional scarcities of certain foodstuffs were experienced in Cuba during the year, the food situation in general was good. Diets were as adequate as in the pre-war period. During the first half of the year there was a scarcity of milk, dairy products, and meat; during the summer, of rice; and later in the year, of beans and onions. During each period of scarcity, however, adequate substitutes were available, except for milk, which could not be readily replaced in children's diets by other products and caused considerable hardship for several months.

Sharp increases over previous annual consumption were noted during the year under review in the consumption of butter, cheese, pork, and—despite the protracted shortage—of milk. These products normally are consumed only by the few high-income families of Cuba, but increased purchasing power plus a shortage of beef early in the year led to a more general use of these foods.

Wages and Price Control

Wage-scale and price levels continued to rise in Cuba during 1943. The scarcity in some lines of merchandise, notably durable goods, gave impetus to this trend. Even in cases of goods of prime necessity there were black-market operations, and inflationary tendencies increased, although not to alarming proportions. The cost of foodstuffs increased by about 11 percent during 1943, compared with a 32 percent rise during 1942. Particular difficulty was experienced in controlling prices of such basic products as rice, beans, onions, dairy products, beef, and charcoal.

Sugar

The 1943 Cuban sugar crop was sold to the United States Government at about $2.65 per 100 pounds f. o. b. Cuban ports, bringing the same price as in 1942. Because of the maritime shipping and storage problems which existed at the time its purchase was negotiated, the 1943 crop was limited to 3,230,000 short tons, as compared with 4,516,000 short tons produced in 1942. Despite the smaller crop and somewhat higher production costs, however, returns to cane growers and mill owners were generally satisfactory. On the whole the year was a profitable one for the Cuban sugar industry, which, notwithstanding the substantial progress Cuba has made in agricultural and industrial diversification, is still the backbone of the Island's economy.

An interesting development, which began in 1942, was the repurchase of foreign-owned sugar mills by Cuban investors. At least seven such mills were repurchased during 1942 and 1943—completely reversing the trend which prevailed during and immediately following the First World War, when a large number of Cuban-owned mills were acquired by foreign interests. In addition, mill owners and cane growers showed an increasing disposition to take advantage of their improved financial condition to liquidate or reduce their outstanding obligations, with the result that at the close of 1943 the sugar industry was probably on a more stable basis than it has been for many years.

Tobacco

There was an increased demand for Cuban leaf tobacco and tobacco products during 1943, and exports valued at about $28,000,000 were the greatest in value since 1930. Cuba exported 34,400,000 pounds of unmanufactured tobacco during 1943, 29,400,000 pounds valued at $20,600,000 going to the United States. Almost 66,000,000 cigars valued at $5,400,000 were exported from Cuba in 1943 as compared with average exports of 30,000,000 per year during the period 1936–40. In 1943, cigar exports went principally to the United States, with Spain, Portugal, Chile, and Australia constituting other important markets.

Fruits and Vegetables

Although the fruit and vegetable export industries were hampered by war-

Courtesy Pan American Union

Panoramic view of the center of Habana.

time conditions, the former was less adversely affected than the latter. Exports of fruit through Habana in 1943 were 30 percent greater by volume than in 1942, but amounted to only about 60 percent of pre-war exports. High prices prevailed in the United States market for Cuban bananas and somewhat offset decreased exports. The pineapple industry had a successful year as a result of the heavy demand by Cuban canneries. Prices for canned pineapples were the highest ever received. Shipments of fresh vegetables during the 1942–43 season (December–April) were less than 10 percent of recent pre-war shipments. Almost 80 percent of all the vegetables exported were tomatoes, with peppers, eggplant, cucumbers, and okra making up most of the remainder. The canned tomato pack in 1943 increased in volume over the 1938–41 average.

Industrial Activity

Commercial and industrial activity in 1943 was the greatest experienced in Cuba in many years, despite the fact that industries partly or wholly dependent upon imported raw materials and supplies, in some instances, suffered from shortages. Outstanding among those adversely affected was the highway transportation industry, which suffered from the scarcity of tires and, to a lesser extent, from inadequate supplies of motor fuel. Manufacturing industry in general, however, benefited from the increased purchasing power of the Cuban people and, in a few instances, from demand for Cuban products by other Caribbean areas unable to obtain certain kinds of merchandise from their usual sources of supply.

An important industrial development during 1943 was the rapid growth of the Cuban distilling industry. Numerous new distilleries were erected—mainly at sugar mills where the raw material (molasses) and fuel (bagasse) are available—and the production of alcohol and spirituous liquors increased by leaps and bounds. Stimulated by large profits, shipments of these products to the United States rose from only 270,000 gallons in 1942 to almost 16,000,000 gallons in 1943.

Another noteworthy development in 1943 was the large-scale production of hard candy for export to the United States where, in view of inadequate domestic production, it found a ready market. The establishment of United States ceiling prices toward the end of the year, however, restricted the profits which Cuban exporters had been deriving from this lucrative business.

The scarcity of imported materials served in many instances to stimulate the resourcefulness and ingenuity of Cuban manufacturers who, during 1943, produced locally with varying degrees of success an increasing number of articles previously imported or substitutes for them. While most of these new industries are of a purely wartime nature, a few give indications of an ability to survive during the post-war period and may, therefore, become a permanent part of Cuba's economy.

Courtesy Pan American Union

Transporting pineapples in Cuba's Camaguey Province.

Construction

The public-works and agricultural diversification projects of which part of the cost is to be defrayed out of the proceeds from a $25,000,000 Export-Import Bank line of credit were initiated in 1943, taking up to some extent the slack which followed the termination of the several defense projects of the United States Government in Cuba. In addition the Cuban Government was able, in view of record revenue receipts, to continue work on a number of military projects, hospitals, sanatoria, and other undertakings, and to initiate work on others. In the meantime, Cuba's boom in private building, which began in 1938, continued unabated despite the periodic difficulties experienced by contractors in obtaining building materials.

Outlook for 1944

The 1944 sugar crop, which was purchased by the United States Government at the same price as the 1942 and 1943 crops, will be unrestricted and (including 800,000 short tons in the form of invert molasses) will probably exceed 5,000,000 short tons. Despite further increases in production costs, Cuba's income from the 1944 crop is therefore expected to exceed that from the 1943 crop by a sizable margin.

The easier maritime shipping situation has improved the prospects of Cuban shippers of fresh fruits and vegetables, and their 1944 exports, although below pre-war proportions, will probably be well above those of 1943. Moreover, the nearly completed large American-owned dehydrating plant will presumably provide an outlet for large quantities of locally grown vegetables.

The tobacco industry's outlook is likewise favorable, and while exports of leaf may be restricted by subnormal stocks, shipments of cigars will, according to present indications, probably exceed those of 1943.

Government and private construction activities will doubtless further expand as income continues to rise and as an increasing number of building materials, which were previously in short supply, become more readily available.

In short, most sectors of Cuba's economy may be expected to benefit from the anticipated further upswing in economic activities, especially if inflationary tendencies can be effectively controlled, and provided, of course, that the present relatively favorable maritime shipping situation continues.

Rubber Reclaiming Plant, South Africa

An American-owned rubber company which has its South African headquarters at Port Elizabeth is reported to have completed installations of additional plant facilities to reclaim rubber and to wash and dry that used in the manufacture of the firm's products, principally tires and soles. The reclaiming plant has been put into operation and is reported to have been successful in handling salvaged rubber.

This plant is expected to work at capacity for the whole of the current year, half the output being allocated to meet essential civilian needs. Even with increased facilities in many other rubber plants in Africa, rubber tires, soles, and other articles are being released for civilian consumption only under stringent regulations.

News by COUNTRIES

Argentina

Transport and Communication

Highway construction.—Work reportedly has been started on the last link of the 110-mile section of railway to connect Salta, Argentina, with Antofagasta, Chile, via Positos, the Socompa Pass, and Imilac. The cost is estimated at 15,500,000 Chilean pesos.

Bermuda

Tariffs and Trade Controls

New 1944 Customs Tariff Increases Duty on Various Items: Correction.—The footnote to the item under above heading which appeared in FOREIGN COMMERCE WEEKLY of April 22, 1944, showing a total surtax of 72½ percent and 75 percent applicable to goods dutiable under the British preferential or general rates, respectively, applies only to imports of liquors. The surtax of import duty applicable to most imports classified under the British preferential tariff in Bermuda is 22½ percent, and 25 percent in the case of goods imported under the general tariff. A wartime supersurtax of 50 percent of import duty applying only to imports of liquors, regardless of whether classification is under British preferential or the general tariff, was established by the customs tariff law of 1942.

Brazil

Tariffs and Trade Controls

Vitamins: Further Details Regarding Import-Duty Suspension.—The vitamins which were granted duty-free entry into Brazil for a period of 180 days, by decree law No. 6172 of January 6, 1944, effective from January 8, have been defined by declaration No. 365 issued by the inspector of the Rio de Janeiro customhouse on March 17 and published in the Diario Oficial of March 30, 1944. The inspector's interpretation limited vitamins entitled to the privilege of suspension of duty to those substances imported as raw material for the pharmaceutical industry, not including derivatives and preparations. Duty-free entry for vitamins also was announced to be conditional on previous hearing before the National Analytical Laboratory.

[See FOREIGN COMMERCE WEEKLY of February 19, 1944, for previous announcement of duty suspension on sulfonamides, their derivatives and respective preparations, and vitamins.]

Canada

Tariffs and Trade Controls

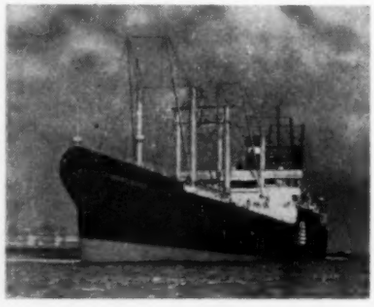
Watch Actions and Movements: Duty Reduced on Imports From the United States.—The import duty has been reduced from 15 percent ad valorem to 7½ percent on watch actions and movements, finished or unfinished, when imported into Canada under the intermediate tariff, by an order in council effective March 1, 1944, which created a new tariff item (336c), published in a customs memorandum by the Department of National Revenue, Ottawa, on April 27.

The new order does not continue the current provision that the duty on such imports under the intermediate or general tariffs shall not be less than 40 cents each.

The rates of duty under the British preferential and general tariffs are the same as formerly and are, respectively, free and 15 percent ad valorem.

A further concession effective on the same date provides that watches of all kinds originating in and imported from countries the products of which are entitled to intermediate tariff treatment are exempted from the war exchange tax.

The Cover Picture



Cargo Vessel

Again we are indebted to the U. S. Maritime Commission for our cover picture, which shows one of the many hundreds of fine new cargo ships that this Nation is now acquiring as a result of the war's exigencies. American foreign-trading and shipping interests are naturally keenly alive to the question of the amount of cargo that will be available for the U. S. merchant fleet when peace succeeds hostilities. The prospects are sized up, from a variety of the most vital points of view, by Secretary of Commerce Jesse Jones, in our leading article this week.

Chile

Transport and Communication

Railway Line Discontinued.—The Departamento de Ferrocarriles of Chile reportedly is offering for sale and has advertised for bids on land, buildings, rails, scrap iron, equipment, and other materials of the narrow-gage line which ran eastward some 12 miles from Estacion General Cruz (on the main north-south railway line) to Pemuco. The railway served an agricultural area in the central valley equally distant from San Rosendo to the south and Chillan to the north.

China

Economic Conditions

Despite efforts of local and provincial authorities to control the cost of living, prices in various centers of Free China continued to advance at an accelerated rate during February 1944. Lack of confidence in the currency was believed in some quarters to be responsible for this steady upswing. In Kukong, Kwangtung Province, withdrawals made immediately prior to the Chinese New Year (January 25) were not redeposited; anti-hoarding regulations to consumers were issued in Chengtu, Szechwan; commercial firms in many localities refrained from converting raw materials to finished goods in anticipation of higher prices; while greatly increased quotations for both United States currency and savings certificates, as well as gold, were indications of weakness in the national currency.

Industrial production continued to decline as a result of increasing costs of manufacture as well as the lack of markets for finished goods.

AGRICULTURE

Food production during 1943 in the 15 provinces of Free China was reported to have been 1,500,000,000 piculs (about 90,000,000 metric tons), or an increase of 7 percent over the preceding year. Prospects for the current year appeared even brighter. Heavy snowfall in Honan Province, coupled with abundant rainfall in other areas, pointed toward an excellent spring crop, probably sufficient to forestall any general shortage of food in Free China during the next few months.

Cotton output in 1943 amounted to approximately 94,200 metric tons from a total area under cultivation of almost 1,900,000 acres. Of this amount Shensi Province produced 23,500 metric tons followed by Szechwan with 17,000 tons, Hupeh with 15 500 tons, and Hunan and Honan each with 10,000 tons. The 1944 program calls for an extension in cotton

production with an anticipated yield of almost 150,000 metric tons; Shensi Province is expected to produce 34.6 percent of this total, Honan 13.6 percent, Hunan 9.6 percent, Hupeh 11.3 percent and Szechwan 16.3 percent. Fulfillment of this aim will depend to a large degree upon the relative prices of wheat and cotton during the planting season.

In an effort to make Yunnan Province self-sufficient in cotton, provincial authorities announced a rather ambitious program of expanding the planting of tree cotton to approximately 80,000 acres with an expected return of about 150,000 tons.

During the past 6 years strides have been made in constructing irrigation systems in many parts of Free China. Szechwan reported more than 116,000 acres served by canals, while in Shensi 6 networks covered almost 400,000 acres. Kweichow Province now has 14 systems either in operation or under construction, which, when completed, will irrigate 20,000 acres, or only 7 percent of the arable land of that province.

Industrial Development

The Ministry of Economic Affairs has announced that 24 essential industries would be given encouragement in the form of loans and other government assistance. Among these are included electric power, smelting and refining, cement, cotton textile, silk reeling and weaving, salt, flour milling, rice threshing, sugar, rubber, machine making and mechanical, alcohol and substitute-gasoline distilling.

Electric-power supply in the Kunming area of Szechwan remained acute, and a further decline appeared likely because of the lowering of the water level of Kunming Lake. The most practical solution to the power shortage in Kweilin was believed to be construction of a 170-kilometer high-voltage transmission line from Patpo (Papu), Kwangsi Province, where there is a power plant and a substantial supply of coal. Power requirements of Hengyang in Hunan were expected to be met through the opening of the Hunan Electric Power Co. plant in that city in May.

Other developments included the establishment of the Chungnan Paper Mill in Shaoyang, Honan; purchase from the Soviet Union of oil-drilling equipment at the Tushan oil fields in Sinkiang; and the purchase by the Sinkiang Government of a 5,000-spindle cotton mill and a 5-ton Bessemer steel furnace for use at Tihwa, both of which in February were awaiting transport from Chungking.

Transport and Communication Developments

Increases in both passenger and express rates amounting to from 65 to 90 percent were announced by the China National Aviation Corporation for service from Chungking to Calcutta via Kunming; the Calcutta-Chungking service however was increased more moderately.

Reconstruction of the Hunan-Kwangsi Railway between Siangtan and Hsianghsiang, both in Hunan Province, is expected to be undertaken in the near future with the route following a slightly different course from the previous roadbed in order that development of mining areas may be facilitated. Additionally a 14-kilometer spur line is under consideration for the transportation of coal from Siangkiang in Hunan to Siangtan.

Express telegraph service between Kweilin and Changsha, Kweilin and Kunming, and Chungking and Wuchow was inaugurated early in February. Long-distance bus fares in Kiangsi were advanced by approximately 65 percent for alcohol-burning busses and 95 percent for charcoal-burning busses, while postal rates, excluding air-mail surcharges, were increased by 100 percent.

Movement of Commodities

Despite government regulations forbidding shipments of rice, wheat, flour, beans, potatoes, and other foodstuffs to enemy-held territory, trade between Free China and occupied areas continued to be active. Kweilin, Kwangsi Province, reports that large quantities of rice and other foodstuffs together with metals and medicines, attracted by high prices, are finding their way into Occupied China. Arrival at Chungking of 1,000 bales (of varied weights) of cotton from the occupied area of Hupeh is reported, while an additional 6,000 bales destined for that city was reported awaiting shipping facilities at Santowping, Hupeh.

On the other hand, imports of cotton and other merchandise into Free China through the port of Foochow, Fukien Province, were materially reduced during January through the effective blockade by the Chinese of the Min River, and the sinking of vessels at the river's mouth by Allied planes.

Foreign trade with the Soviet Union in January continued to be brisk; 60,000 pieces of furs and skins, 11 tons of bristles, and 2 tons of wool were shipped from Free China through the frontier city of Lanchow in Kansu Province.

Cuba

Tariffs and Trade Controls

Machinery, Tools, and Accessories Imported for the Establishment of New Industries Exempted From Payment of Duty When Imported From the United States.—Imports into Cuba of machinery, tools, and accessories for establishing new industries may be brought into the country from the United States free of import duty for a period of 3 years, according to decree No. 833 of March 15, published in the Official Gazette of April 3, 1944. The decree defines new industries as those which may be established in the country subsequent to April 3, 1944, and which will not be engaged in the elaboration or manufacture of products already being produced in the country.

Exemption from payment of import duty is also extended to machinery imported for use in already existing industries, provided the production of such industries is less than 30 percent of the national consumption.

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

Basic Principles of Economic Collaboration Among the Americas

A guidepost for the future which our common experience [in the Americas] before and during this war has raised is *in the economic field.* With the outbreak of the war the continent mobilized economically. The extent to which the products of this hemisphere have contributed to the growing success of the war against Germany and Japan cannot be overestimated. Millions of men and women throughout the hemisphere are devoting themselves unsparingly to the production of essential materials and to the forging of the weapons of our common victory. All this has been done under the great handicaps of the dislocations produced by the war.

At the end of the war all of our countries will be faced by problems of immense gravity. Out of the experience of our association in peace and in war we have learned that the expansion of material well-being can only come with an expansion of production and trade and hence an increase in consumption.

We have learned too that no one nation can solve its problem by itself. An increase in production requires financing, a wise selection of the goods to be produced, and wise and fair commercial policies to enable goods to flow to their markets and necessary purchases to be made in return. All of this requires cooperative effort and the creation of international arrangements through which that effort may have concrete expression. But it requires something more than this. It requires respect by each nation for each other nation in the field of political relations.

International cooperation in the economic field is the opposite of economic imperialism, by which one country seeks to exploit another. It is also the opposite of economic nationalism, by which each nation seeks to live unto itself.

We citizens of this hemisphere have great opportunities before us. The community of action among the American nations, already highly developed, will at the end of the war be indispensable in the advancement of our economic well-being and in the establishment of an international organization to prevent the recurrence of world wars.

From the "Pan American Day" address by Secretary of State Cordell Hull.

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The decree also contains a provision against the "dumping" of merchandise on the Cuban market. This provision makes it unlawful to offer merchandise similar to articles of Cuban production, or substitutes for such products, at prices less than those that would apply to such merchandise at the time of its exportation in the country of origin, or less than the cost of production.

Jute Bags: Import Regulations Extended.—Imports of jute bags into Cuba by Cuban sugar producers will continue to be made from the agency in the United States established in 1943 to be the sole purchaser, seller, and distributor of jute bags for the United Nations, according to Cuban decree No. 686, published in the Official Gazette of April 10, 1944.

[For announcement of the control originally placed on importation of jute bags, see FOREIGN COMMERCE WEEKLY of September 25, 1943.]

Pharmaceuticals and Medicinals: New Decree Establishes Changes in Regulations.—The Cuban Government has established new regulations to govern the importation, sale, and distribution of pharmaceutical specialties, drugs, medicinals, biologics, and similar commodities, and to regulate the practice of pharmacy by the promulgation of decree No. 689 in the Gaceta Oficial of March 24, 1944. The decree contains several changes affecting registration, labeling, and sample advertising of pharmaceuticals.

Previously one sample of a pharmaceutical specialty and two copies of the principal label had to be submitted to the Inspection General of Pharmacy with the application for registration of a pharmaceutical product, whereas under the new decree two samples of the product to be registered and three copies of the label must be submitted.

The application for registration of a product must, in addition to the existing requisites, now also include the qualitative-quantitative analysis of the specialty. Formerly it was required only on the label.

The new regulations also require that sale of pharmaceutical specialties and similar items be supervised by a Doctor of Pharmacy in Cuba. Application for sale of these products must show the name of this pharmacist who will be responsible for their sale in Cuba and labels of products authorized to be sold must carry his name.

Whereas a label previously had to be the same as that carried in the country of origin, plus an additional label in Spanish showing the information required on the original label, now only one label in Spanish may be used, provided it is an exact translation of the label used in the country of origin.

Whereas samples could previously be distributed directly to the public, under the new regulations they may be distributed only to authorized professionals for sampling or testing. Direct distribution of samples to the public is prohibited.

Alcohol Control Agency Established.—The Cuban Government has established an alcohol control agency to control the production, distribution, domestic consumption, and exportation of all types of alcohol and spirituous liquors, according to decree No. 902 promulgated in the Official Gazette of April 6, 1944.

The agency is to be headed by a director general who shall have full control over the alcohol industry. He is to have an advisory committee made up of one delegate each from the Ministries of State, Treasury, Agriculture, and Labor, a delegate from the Office for Regulation of Price and Supply, a delegate from the National Cane Planters Association, two delegates from the Distillers' Association, and two delegates from the manufacturers of liquor or liquor dealers.

Cheese: Exportation Prohibited.—The exportation of cheese from Cuba has been prohibited by resolution No. 203, of the Cuban Office for Regulation of Price and Supply, published in the Official Gazette of April 10, 1944. The action prohibiting exportation was taken to permit the diversion of greater supplies of fresh milk to the production of condensed milk and butter for domestic consumption. According to the resolution, exports made to fill contracts executed with goverments of Allied Nations may be excluded from this embargo when authorized by the Cuban Government.

Guatemala Lifts Exports of Strategic Materials for War Use

Guatemala has increased exports of strategic materials and foodstuffs as its contribution to the United Nations' war effort, President Jorge Ubico reported recently in a message to the National Legislative Assembly.

President Ubico said that Guatemala, with the object of rendering effective aid to the United States military forces in the Canal Zone, is shipping there surpluses of vegetables, fruit, and meat. He said that in December, for example, Guatemala exported to Panama 2,337,586 pounds of vegetables and 817,710 units of alligator pears, oranges, pineapples, and lemons.

Thanks to the installation of a refrigeration plant in the Municipal Slaughterhouse at Guatemala City, exportation of frozen meat to Panama has been started, some 227,000 pounds having been shipped as of March 1, according to the message.

In addition, President Ubico said that 26,897,511 pounds of cleaned coffee have been sent to the United States Army.

Guatemala also increased production of medicinal plants, vegetable oils, fiber crops, essential oils and insecticides, rubber, and quinine. "Great quantities of these products and of lumber," President Ubico continued, "have been consigned to the United States in view of the needs of war. Thus, we have exported 150,813 pounds of rubber, 1,060,199 pounds of quinine-yielding bark, 680,716 square feet of balsa wood, 3,680,380 square feet of pine, and 22,575,865 square feet of mahogany."

Eire

Exchange and Finance

Government Revenues and Expenditures for Past Fiscal Year.—The State revenue and expenditure of Eire for the fiscal year ended March 31, 1944, constituted in each case a record in the history of the country. Revenue reached the high figure of £43,779,732, or £4,051,368 more than in the preceding fiscal year. Expenditure, which totaled £45,009,012, was £1,963,166 greater than in 1942–43.

Customs duties, which heretofore have been the greatest source of revenue, have for the first time been surpassed by income tax which produced £11,476,000, an increase of £1,396,000 over the preceding year. Customs collections totaled £11,388,000 which, despite decreased importations, slightly exceeded receipts in 1942–43. The principal items of expenditure were £8,188,861 for the Army, £3,927,477 for primary education, £3,740,119 for old-age pensions, and £3,229,489 for supplies, including food subsidies.

France

Tariffs and Trade Controls

Chemical and Parachemical Products: Restriction of Manufacture and Sale Authorized.—The French Minister-Secretary of State for Industrial Production and Communications was authorized to issue orders requiring prior approval of the public authorities for the manufacture, sale, or free distribution in France of specified categories of products of the chemical or parachemical industry, for a use other than pharmaceutical or alimentary, by law No. 360 of July 6, 1943, published in the Journal Officiel (Vichy) of July 18, 1943.

This authorization applied to warehousing, sales, and use in France of French or French colonial products or of products manufactured in French protectorates or countries under French mandate.

French North Africa

Tariffs and Trade Controls

Wood and Packing Material: Service of Purchase, Importation, and Distribution Created in French Morocco.—A Service of Purchase, Importation, and Distribution of Wood and Packing has been created in the French Zone of Morocco, under the Direction of Agriculture, Commerce, and Supplies, by an Order of December 31, 1943, published in the Bulletin Officiel of January 28, 1944.

This Service, located at Casablanca, is to carry out, under the instructions of the responsible administration, with the cooperation of importer-agents and importer-users of wood and packing and for their account, operations of purchase, importation and distribution of wood and packings imported into Morocco, including buying, transportation, handling, insurance, payment, and stocking. A commission is to be collected by the Service to cover general expenses and charges.

Edible Vegetable Oils: Consumption Tax Reduced in French Morocco.—The consumption tax on all edible vegetable oils (except peanut oil and olive oil), imported into or produced in the French Zone of Morocco, was reduced from 60 francs to 25 francs per 100 net kilograms by a dahir of January 3, 1944, published in the Bulletin Officiel of February 4.

The consumption tax on peanut oil remains unchanged at 25 francs per 100 kilograms and olive oil is not subject to this tax.

[See FOREIGN COMMERCE WEEKLY of May 13, 1939, for previous announcement.]

Toilet Preparations: Export-License Taxes Fixed in French Morocco.—Export-license taxes on toilet preparations exported from the French Zone of Morocco have been fixed, effective February 14, 1944, by an order of February 10, published in the Bulletin Officiel of February 18.

The new taxes are as follows, in francs per gross kilogram: Lip rouge, eye shadow and mascara, 300; brilliantines and cosmetics, 20; nail varnishes and polish removers, 50; beauty creams and lotions, 20; shampoos, 7.50; other toilet preparations, 2.

Motion-Picture Center Created in French Morocco.—A Moroccan Motion-Picture Center has been created in the French Zone of Morocco, under the authority of the Director of Political Affairs, by a dahir of January 8, 1944, published in the Bulletin Officiel of February 11.

It has for its objective the production, distribution, and projection of cinematographic films.

To cover expenses of the new Center, a residential order of February 2, 1944, fixed a tax of 2 percent of gross receipts of motion-picture establishments and a tax of 0.50 franc on each admission ticket to cinemas priced at more than 10 francs.

Certain Foreign Goods Imported Into Tunisia From France and Algeria Exempted From Import Duties.—Goods originating in foreign countries and imported into Tunisia from France or Algeria are exempted from import duties in Tunisia, if they are similar to those French and Algerian products which are exempted from duty, and if they have been nationalized by payment of import duties in France or Algeria, by a decree of January 6, 1944, published in the Journal Officiel Tunisien of January 12.

Cosmetics: Use of Poisonous Colors Prohibited in Tunisia.—The incorporation or the presence of certain poisonous products in preparations used as cosmetics in Tunisia has been prohibited by a decree of January 13, 1944, published in the Journal Officiel Tunisien of January 18.

The products prohibited are: (1) Compounds of arsenic, of lead or of mercury, in beauty creams, face rouges and, in general, in all preparations used for the mouth, the face, or the hair; (2) harmful organic compounds such as paraphenylenediamine in hair dyes; and (3) colorings other than those authorized for food products in lip rouges and lipsticks.

Depilatory pastes with a base of orpiment (sulphide of arsenic) are excepted from the present regulation since they are regulated by the order of June 26, 1923.

Swedish Credit Enables Norway to Order Post-War Supplies Now

A formal agreement granting a Swedish Government credit to Norway was signed in London on April 13 by Johan Beck-Friis, Swedish Minister to the Norwegian Government, and Trygve Lie, Norwegian Minister for Foreign Affairs, says a statement by the American-Swedish News Exchange. This will enable Norway to place orders in Sweden now for supplies to be delivered immediately after the cessation of hostilities.

No fixed sum is mentioned in the pact, but orders worth 50,000,000 crowns ($12,500,000), mostly for foodstuffs, are reported already booked. Other commodities mentioned are seed grains, medical supplies, wood products, iron and steel, engines, tools, agricultural and other machinery, and even ships.

The credit will come from a 100,000,000-crown ($25,000,000) initial appropriation made by the Riksdag last autumn for reconstruction work in war-ravaged countries. The new agreement is the result of negotiations begun as early as 1942.

It was further announced that the Netherlands and Belgium are among the other nations which have placed post-war orders in Sweden, although no special treaties have been signed as yet.

Satisfaction over the new treaty was reportedly expressed by all Stockholm newspapers, which saw in it a good omen for future relations between Sweden and Norway. "It is a hopeful sign that the time has come to make specific plans and to publicize them," wrote Dagens Nyheter, pointing out that the amount of exports is limited only by Sweden's ability to deliver and Norway's to receive. "The agreement supplements the work of the United Nations Relief and Rehabilitation Administration," the paper said, adding that Sweden's humanitarian aid to Norway will continue.

India

Tariffs and Trade Controls

Emergency Customs Surtax Continued for Another Year; Increased on Tobacco and Spirits.—The emergency surtax of one-fifth of existing import duties, established in India effective March 1, 1942, has been continued for another year. The surtax has been increased to 50 percent on tobacco and spirits.

[See FOREIGN COMMERCE WEEKLY of July 25, 1942, for the announcement of the establishment of this emergency surtax.]

Coffee, Tea, and Betel Nuts: Excise Tax Established.—Effective April 1, 1944, an excise tax of 2 annas per pound was established on coffee, tea, and betel nuts (fruit on the areca palm) produced in India.

[The Indian rupee is equal to $0.301215; there are 16 annas to the rupee.]

Tobacco and Tobacco Products: Excise Duties Increased.—Excise duties on manufactured and unmanufactured tobacco produced in India have been greatly increased effective March 1, 1944. For most kinds of tobacco the rates have been doubled; on a few types, the rates have been increased by one-third.

Newfoundland

Tariffs and Trade Controls

Permits Required for Exportation of Certain Textile Articles.—New regulations in Newfoundland prohibit anyone from exporting any of the following textile commodities, which are now reported to be in short supply, without a license or permit from the Commissioner of Public Utilities.

Clothing and articles of clothing of all kinds, whether made up or partly made up; handkerchiefs; household articles as follows: Towels, curtains, face cloths, dish towels, dusters, bed coverings of all kinds, sheets, blankets, quilts, pillow cases and covers, napkins, tablecloths, floor rungs, carpets, linoleum and other floor coverings, car and traveling rugs; piece goods of all kinds; ladies' handbags and ladies' purses of all kinds; umbrellas, parasols, and parts therefor; threads for sewing, crocheting, or knitting, of cotton, rayon, silk, or linen, or mixtures thereof; buttons, pins and needles; smallwares as follows: Ribbons, lace, velvet and velveteen goods, chains, cords, crepes, braids, tapes, embroideries, boot, shoe, and stay laces and other smallwares of cotton, wool, linen, silk or rayon, elastic, round, flat, or garter; elastic and nonelastic webbing; artificial flowers, hair nets and manutures of hair.

Persons are also prohibited from selling or transferring any of the listed commodities if they know that the recipient intends to export such articles in contravention of the regulations.

The restrictions do not apply to any articles which may have been brought into Newfoundland by travelers as personal effects or to articles that are being taken out by such persons, nor do they apply to articles sent by parcel post to a

Worthless Financial Claims

Netherlands claims against the Nazi Reich resulting from forced credits extended to the Germans are soaring at the rate of nearly $3,500,000 a day, and now total more than $2,000,000,000. According to Aneta, Netherlands News Agency, these claims increased by $24,240,000 a week during the first 6 weeks of this year.

German "purchases" of Dutch foodstuffs and other commodities, Nazi pay allotments to the families of the 420,000 Dutch workers deported to the Reich, and repayments of private German loans previously floated in Holland, are responsible for this rapid rise.

The exchange between the Reich and the occupied Netherlands is fixed on a purely unilateral basis. While the Dutch are amassing a huge balance of Reich marks, these have only *theoretical* value, as they are useless for buying German goods of which the Germans are in too great a need to release them for export. On the other hand, although available stocks of goods in Holland have practically vanished as the result of German "purchases," the German military authorities continue to exercise first claim on whatever still remains.

member of British Empire military forces, Royal Merchant Navy, Newfoundland Forestry Unit, or to a prisoner of war.

New Zealand

Wartime Commodity Controls

Meat Rationing Introduced.—Meat rationing came into force in New Zealand on March 6, according to statutory regulations issued on March 3, 1944.

The system is based on price rather than on weight. Adults will receive a basic ration of 1s. 9d. (about $0.285) worth of meat weekly, while children between the ages of 6 months and 5 years will receive one-half this amount.

The only meats rationed are beef, veal, mutton, lamb, and pork, but retail sales of pork continue to be banned. According to estimates, a consumer will, unless he confines himself only to choice cuts, be able to buy 2½ pounds of rationed meats weekly, plus such unrationed products as sausages, sausage meat, liver, tongue, poultry, rabbits, bacon, ham, and canned meats.

Six coupons cover 1 week's meat supplies. Five of these have a fixed value of 3d. worth of meat each, while the sixth has a variable value, which during part of the year will be worth 6d. and during the remainder of the year, when meat prices are higher, 9d. Customers do not have to register with any particular butcher. For each hotel or restaurant meal containing rationed meat, a customer will have to surrender one 3d. meat coupon.

Panama

Economic Conditions

Business activity in Panama during March may be characterized as good, although the high levels of 1943 were not maintained. The Lenten season brought with it the usual diminution of business. Bank collections began briskly, but fell off during the last 2 weeks, indicating that imports were somewhat smaller than previous months.

Agriculture

Economically, the highlight of the month was the fourth annual regional fair held in David from March 15 to March 18, inclusive. Held in the capital of Chiriqui, the Republic's richest and most diversified agricultural Province, the fair attracted nationwide attendance and interest. In view of the magnitude and importance which the fair has assumed, the Minister of Agriculture and Commerce has announced that beginning in 1945 the fair's orientation will be national rather than provincial.

Not to be outdone by the northwestern provinces, the central provinces planned to hold at Los Santos, the largest city in the Province of Los Santos, their second annual agricultural fair from April 7 to April 9, inclusive. The exhibits were to be divided into four categories, namely, agricultural products and livestock, poultry, industrial exhibits, demonstration plots and sales booths. The Provinces participating were Veraguas, Los Santos, Herrera, and Cocle.

Exhibitions such as these are being utilized by the Government in its program of encouraging agricultural and livestock development. Another venture in this same direction was initiated when it was announced on March 22 that a shipment of blooded stock from the United States had arrived in Panama. The total value, including transportation costs, of the livestock involved was $100,000. The livestock, included cattle, horses, sheep, hogs, and chickens, and will be distributed among the Divisa Agricultural Experiment Station and the various Government stock-breeding farms.

To ascertain what contributions domestic agriculture might be making toward the markets in the city of Panama, a counting station was established in March at Arraijan on the eastern Republic-Canal Zone boundary. The count revealed that during 1943 domestic sources supplied 21,664 head of cattle. Of these, 21,441, or a total gross weight of 18,036,023 pounds, were beef cattle and slaughtered. The remainder was breeding stock. During February 1944, the following produce flowed through the station bound for Panama City markets: 2,336,127 oranges; 43,242 dozen eggs; 216,500 pounds of rice; 142,200 chayotes (Mexican pear); and 26,176 chickens. This supply does not include the produce coming from Chiriqui which comes in largely by boat via Puerto Armuelles.

In 1942 a bountiful rice harvest made the Republic practically self-sufficient in this cereal, which is the primary food of the people. Scarcities, however, are predicted for 1944 because of the lower production registered in 1943. Chiriqui Province, the most important rice-producing center, produced 25,000,000 pounds in 1943, a figure significantly less than the preceding year. If other regions have no better production relatively, substantial amounts of rice will have to be imported to meet basic consumption.

Trade and Commerce

There have been several indications that increased sales pressure and stimulus are now necessary to maintain the business pace of previous months. Newspapers recently have been carrying more display advertising than previously and the context has taken on a more persuasive tone. More significant is the fact that several establishments are advertising storewide sales. Except for those sales brought about by the Nationalization of Commerce Law (quitting sales), these are the first that have been held for some time.

Identification carnets required under decree law No. 48 of aliens operating commercial enterprises in the Republic are now available. The documents indicate that the bearer is qualified under the requirements of the law to do business in Panama.

On March 1 the price of gasoline in Colon was reduced 2 cents per gallon and 1 cent per gallon in Panama City. The prices now prevailing are 28 and 29 cents respectively.

Construction

In his New Year Day message, the President stated that housing would be one of the prime activities of the Government in the coming year. Progress has already been made in this direction. Earlier in the year, Social Security, a Government agency, announced that it would initiate the construction of 500 housing units in Panama City. Land for these units has been acquired and the first section has been started, while bids for a second unit were to be called for early in April.

Building permits issued for the city of Panama during March totaled $1,448,928 in contrast with $436,805 in February. Included, however, in the March statistics are the permits issued to Social Security for the low-cost housing project. Other noteworthy construction projects announced or begun include: letting of a bid on a new building for Social Security costing $188,800; starting work on a new theater in David with a seating capacity of 1,200 to cost $150,000; and a letting of a contract for a new veter-

Wartime Ingenuity Is Already Shaping Peacetime Miracles

inary laboratory to cost $19,710 at the Grange in David. Machinery was also purchased from an American firm for the new cement plant to be located along the Boyd-Roosevelt Highway, halfway between Panama City and Colon.

Paraguay

Wartime Commodity Controls

Department of Distribution Organized.—The distribution and rationing of articles of general necessity were placed under the control of the newly designated Department of Distribution by decree law No. 2909 of the Paraguayan Ministry of Industry and Commerce, dated March 15, 1944. A consultative council of distribution is to be set up within the new department.

Tariffs and Trade Controls

Quasi-Government Meat Corporation Authorized.—The creation of a joint cattle raisers and government meat corporation to organize, regulate, and improve the cattle and meat industry of Paraguay was authorized by Executive decree law No. 2810 of March 6, 1944. It was stated that the project is considered one of the most important instituted by the present administration.

Peru

Tariffs and Trade Controls

Cinchona Bark: Imports Free of Duties and Additional Charges.—Cinchona bark imported into Peru shall be dispatched through the customhouses of the nation, free of duties, including additional consular and importation charges, according to a law promulgated January 21, 1944.

Coal: Exports Subject to Government Supervision.—Prior to the exportation of coal from Peru a certificate of analysis must be obtained from the Government according to a supreme resolution of December 7, 1943. The certificate must contain the name of the mine of origin, the tonnage of the shipment, and the official analysis of the composition of the coal which must conform to the quality or composition terms of the sale or purchase agreements. The cost of sampling and analysis are charged to the producer. This decree also places all coal mines producing coal for export under the technical supervision of the Peruvian Government.

Turkey

Tariffs and Trade Controls

Exchange of Notes With the United States Providing for Change of Turkish Import Duties on Certain Mineral Oils.—In a note dated April 22, 1944, from the Secretary of State to the Turkish Ambassador in Washington, replying to a note from the latter dated April 14, 1944, the Government of the United States, pursuant to article 1 of the trade agreement between the United States and Turkey, signed April 1, 1939, has agreed to accept certain proposed reductions in Turkish import duties as satisfactory compensation for certain proposed increases in Turkish import duties on products listed in schedule 1 of the trade agreement.

The duty changes involved are as follows: The duty on heavy mineral oils, Turkish tariff No. 695–D, and their residues comprising machine oil, mazout oil, motorine, and other such combustibles, which in schedule 1 of the trade agreement is 0.95 piaster per kilogram, will be increased to 2.75 piasters per kilogram and the duty on kerosene, Turkish tariff No. 695–C, which is 6 piasters per kilogram, will be reduced to 3.3 piasters per kilogram.

[See COMMERCE REPORTS of April 22, 1939, for summary of provisions of the trade agreement of April 1, 1939.]

U. S. S. R.

Transport and Communication

Small Rivers To Be Utilized.—To utilize its extensive network of small rivers, the Soviet Union reportedly is building special river boats of shallow draught, easily capable of towing three shallow-water barges.

Apart from the great water arteries in the Soviet Union, there are nearly 1,500,000 miles of small rivers, 35,000 of which soon will be navigable, states the foreign press. Sluices built along the routes will provide power for local towns.

United Kingdom

Exchange and Finance

Tax Reserve Certificates Modified.—Under the original terms of issue, the life of United Kingdom tax reserve certificates was limited to 2 years. If they were not used in payment of taxes within that period the holder forfeited the 1 percent per annum interest. This 2-year limitation caused hardship in certain cases, for example, where a firm did not know the amount of its excess-profits tax before the 2-year period was ended. Under the new terms, the life of tax reserve certificates is extended to 5 years. Holders will, however, continue to receive interest only for 2 years as formerly, so that there will be no added cost to the Exchequer as a result of the concession. The revised terms apply to all certificates held at present.

Uruguay

Tariffs and Trade Controls

Reclaimed Rubber Articles: Barter for Prime Necessities Authorized.—The exportation to Argentina during the current year of 100 metric tons of reclaimed rubber products manufactured in Uruguay in exchange for articles of prime necessity to Uruguay which can no longer be obtained from usual sources was authorized by a Uruguayan Executive decree of March 10, 1944.

The decree offers FUNSA (Fabrica Uruguaya de Neumaticos S. A.) its first opportunity to produce reclaimed rubber articles for export. FUNSA is the only establishment in Uruguay having facilities for reclaiming rubber.

Gum Lac Declared Prime Necessity; Exportation Prohibited.—At the request of the Association of Uruguayan Furniture Manufacturers, gum lac was declared a prime necessity, the use and sale of which in Uruguay are controlled by law No. 10,075 of October 23, 1941, according to a decree of March 29, 1944, published in the Diario Oficial of April 11. Another decree of the same date and published in the same issue of the Diario Oficial, prohibits the exportation of gum lac.

Union of South Africa

Economic Conditions

A change in wage rates in the gold mines has been granted by the South African Government beginning April 1. Native miners will receive time-and-a-half pay for overtime or Sunday work and the wage of native surface workers will be increased by 4d. per shift and that of native underground workers by 5d. This action was taken following the report of the Witwatersrand Mine Native Wages Commission which was made public in March.

These new rates are expected to cost $7,400,000 annually. This sum falls $3,000,000 short of the Commission's recommendations but is regarded generally throughout the country as a satisfactory compromise. Realizing the im-

(Continued on p. 35)

Business As Usual

Independent of each other, two commanders of German engineering regiments in a Nazi-occupied European country "requisitioned" several hundred tons of structural iron that was stacked in a yard of the Department of Public Works in a provincial town. When they learned that they were "in competition" with one another, they came to an agreement and decided to divide the loot, an underground newspaper charges in a recent issue. The paper learned that the two Nazi officers were both *contractors in private life*, and planned to send the iron to their own business addresses in Germany.

The paper also told of a German officer who bought more than $540,000 worth of first-class cattle, which he transported to his own farm in the Reich. He made his payment in worthless German marks.

News by COMMODITIES

Beverages

Wine Production in Hungary

The 1943 Hungarian grape crop yielded 4,500,000 hectoliters (1 hectoliter=26.42 gallons) of wine and 500,000 quintals (1 metric quintel=220.46 pounds) of table grapes, says the Axis press. It is also stated that the crop was good and that in many districts the quality of the wine was excellent.

New Zealand Production of Hops

The production of hops in New Zealand in 1944 is estimated at 750,000 pounds as compared with 938,570 pounds in 1943.

The entire commercial crop of hops is grown in the Nelson district within an area of about 25 miles diameter, with the exception of a small garden of 4 acres in Marlborough.

The average crop of hops yields approximately 1,500 pounds to the acre, but in exceptional cases a yield of 2,300 pounds per acre has been recorded. The 1943 crop was good but the 1944 crop reportedly was poor as a result of extremely dry weather in December and January.

The breweries in New Zealand consume practically all the hops grown in the country; their maximum requirements are about 750,000 pounds of hops a year. Hops are also packed in one-half-pound and 1-pound packages and sold through grocery stores in New Zealand. Approximately 60,000 pounds are disposed of in this manner annually.

It is unusual for New Zealand to import hops. The last occasion was about 5 years ago when about 26,000 pounds were imported from the United States.

Exports of hops from New Zealand in 1943 amounted to 181,727 pounds as compared with 26,649 pounds in 1942 and 213,666 pounds in 1941.

The Hop Marketing Committee's stocks were exhausted by the end of March and brewers' stocks were low, probably no more than between 100 and 200 bales, equal to between 30,000 and 60,000 pounds. The new crop became available in April.

Chemicals

Caustic-Soda Plant to be Erected in Brazil

A caustic-soda plant will be erected at Iguape, Brazil, in the southernmost part of the State of Sao Paulo, a foreign trade journal reports.

The necessary salt can be produced from salt-pans in the region, it is stated.

Sulfur Consumption, Argentina

Argentina's annual consumption of sulfur is more than 30,000 tons, the Argentine press reports. Of this amount, 80 percent is used in chemical industries and 15 percent in agriculture.

The country is said to have more than 30 known deposits of sulfur; one of these is in full production and four others are being tested.

Derris Crop, Sao Paulo, Brazil

Derris, a rotenone-bearing plant similar to timbo, is grown in small quantities in the State of Sao Paulo, Brazil. The area planted to the crop in 1944 is estimated at approximately 72 acres, located near Lins. Plantings for the 1945 crop are expected to reach about 180 acres, an increase of more than 65 percent.

Production for this year is estimated at 100,000 kilograms. The roots are ground into a powder which is sold locally.

Chemical Products From Coal, Canada

The manufacture of chemical products from coal has been suggested as a post-war industry in Nova Scotia, a foreign chemical magazine reports.

These products would be comparatively light in weight, therefore less costly to transport than coal for fuel purposes.

Waste From Synthetic Resins Must be Surrendered in Czechoslovakia

German authorities in Czechoslovakia have ordered that waste from the synthetic polyvinyl resins "Igelit" and "Mipolam" must be collected, a foreign chemical magazine reports.

This material is to be surrendered to the Tefa Co., a branch of I. G. Farbenindustrie, and is not to be destroyed or processed, it is stated.

Glue-Production Methods Investigated in Eire

Methods of manufacturing photoengraving glue in Eire are being investigated by the Emergency Research Bureau, a European chemical magazine says.

The preparation usually employed is a highly refined fish glue, made from the skins of certain fish, particularly cod. However, since Eire has no dried-fish industry to furnish this waste material, it has been necessary to collect the skins direct from retailers.

A commercial firm is now producing glue on a small scale, and the surplus is being sold as an adhesive.

Acetone Manufacture, Eire

Some acetone is manufactured in Eire by a wood-distillation process, but production capacity is limited, says a European chemical magazine. A process has therefore been developed by the Emergency Research Bureau for making acetone from alcohol.

The Bureau is also conducting plant-scale experiments on the production of ether from alcohol.

Office to Promote Standardization Established in Germany

A Central Office for Chemical Standardization has been established in Germany, with headquarters at Frankfurt, according to press reports from the German News Agency, appearing in a foreign chemical magazine.

The organization will handle and promote standardization in industrial chemistry, it is stated.

Hungarian Lumber Company Producing Glue

A large lumber concern in Hungary has been successful in producing glue, the Hungarian press reports.

As a result of its experiments, the firm will soon undertake the manufacture of synthetic glue, it is stated.

Copper-Sulfate Shortage in Yugoslavia

The shortage of copper sulfate in Yugoslavia has become a serious problem for agriculturists, a foreign chemical publication reports.

The Center for Chemical Products has urged that all kinds of metal, including copper, lead, pewter, aluminum, and nickel, and also bronze cartridges and shell-casings, be collected and given to the authorities in exchange for copper sulfate.

Lumber Supply, Canada

Canada's lumber production of 4,640,000,000 feet in 1943 was a better record than had been considered possible at the beginning of the year. The estimated output for 1944 is 4,350,000,000 feet.

Exports to the United Kingdom and the British Empire are expected to show an increase of from 100,000,000 to 150,000,000 feet, and the United States will need large quantities.

Less lumber will be required in Canada for war-plant and military construction, but there is an active demand for lumber for crating purposes and essential civilian use.

Clay Products

Brick Production in Honduras

A new factory in San Pedro Sala, Honduras, plans to manufacture brick in sufficient quantities to make brick housing available to all income groups. In addition, the plan has orders from British Honduras and other regions of the country.

Production of burned bricks, now at the rate of 150,000 a week, is expected

to rise to 300,000 (plus 6,000 unburned units a day) when the second oven is completed.

RECONSTRUCTION OF BRICK FACTORY, U. S. S. R.

The Dinas brick factory in Krasnogorovka, Stalino Oblast, Ukraine, is being reconstructed. The first section was again place in operation in January 1944, the Soviet press reports. Monthly output of 5,000 tons of Dinas brick is expected.

Another section of the plant is scheduled to be operating in the second quarter of 1944 and the plan is to reach the prewar level of production before the end of the year.

Coal, Coke, and Fuel Gases

INCREASE IN CANADIAN IMPORTS

Coal imports into Canada in February 1944 were valued at $8,280,000, compared with $5,830,000 in the corresponding month of 1943. Coke imports had a value of $654,000 in February 1944, compared with $487,000 in February 1943.

COAL SITUATION IN CHILE

Although coal production in Chile dropped to 186,559 metric tons in January 1944 from the 206,027 metric tons reported in December 1943, the coal situation is reported to be satisfactory, with sufficient amounts available to supply the country's needs during the coming winter. The State Railways has a reserve stock to meet 1 month's requirements, and there are about 35,000 metric tons of coal dust accumulated in the yards of producing companies.

Because of a lack of market for coal from smaller mines, some of them reportedly have reduced the number of workers and the number of operating days a week.

PRODUCTION OF FUEL ALCOHOL, INDIA

Power alcohol is being produced at a factory designed and erected by the Delhi Cloth Mills, in Durala, India, the foreign press states. The only other similar plant is in Mysore State, it is reported.

RESEARCH ON FUEL-GAS PRODUCTION CONTINUED IN U. K.

Fuel research is being continued at Leeds University, England, despite shortage of materials, the British press reports. One line of research concerns the two-stage ignition phenomenon of higher hydrocarbons and their derivatives; and another, the purification of producer gas with reference to organic sulfur compounds.

Construction (Including Highway)

CITY DEVELOPMENT, TORONTO, CANADA

A master plan for developing the city of Toronto, Canada, during the next 30 years has been presented to the City Council, by the City Planning Board. This plan, which in scope covers every phase of city development, was received with enthusiasm by most of those who took time to study it. One of the main arguments of the opposition is that of the expense, which roughly is estimated to amount to $300,000,000.

So far no legislative action has been taken.

Slightly Macabre Note: Bulgar Graveyards Now Yield Cotton

The terrific shortages of essential products that exist today in many parts of Nazi-dominated Europe are giving rise to expedients that may conservatively be described as distinctly unusual.

Among such is a recent measure in Bulgaria. Recognizing the tremendous need for cotton, two Bulgar archbishops (of the Eastern Orthodox Church) requested permission from ecclesiastical authorities for the cultivation of this fiber on all free church and monastery lands, *including graveyards*.

The Bulgarian press reports that permission was granted, and clergymen have been given detailed instructions for the execution of the plan. Even graves are not immune from the iron necessities of war.

HOUSING PROJECTS, SANTIAGO, CHILE

Many plans for constructing low-cost housing projects are being considered in Santiago, Chile. The Chilean Department of Police Investigation hopes to build dwelling units in the northwestern area of the city to accommodate its personnel.

Much publicity has been given the resolution of the Social Security Institute of the Merchant Marine to undertake an extensive housing program for its members.

The Minister of Public Works made 5,000,000 pesos available to the Popular Housing Institute on February 28 for erecting low-cost housing units.

A new branch building of the Popular Credit Bank was inaugurated in the San Pablo district of Santiago on February 4. This modern building is composed of comfortable offices, a large room for auctions, and other public rooms.

BUILDING PROJECTS IN COLOMBIA

Plans are under way for constructing five multistory office buildings in Bogota, Colombia. One of these, a 14-story structure being sponsored by the Caja Crédito Agrário, will be located in the downtown area.

The machine-shop plans of several railways—Cundinamarca, Girardot-Tolima-Huila, del Norte, del Sur—are developing satisfactorily. Progress is being made on the partially completed machine shop of Jaramillo & Co.

Construction of seven additional plants, at a cost of 7,000,000 pesos, has been approved by Colombia's largest industrial company, the Consorcio de Servecorias de Bavaria. It is thought that a period of 2½ years will be required to complete the project. Work already has begun on the breweries at Bucaramanga and Ibague, and on those situated at Armonia, Muga, Girardot, Santa Rosa de Viterbo, Pamplona, and Manizales construction will be started at a later date.

HIGHWAY CONSTRUCTION PROJECTS, MEXICO

Mexico's highway-construction program for 1944 has been announced. Work is to begin on the construction of the highway between Pachuca, Huejutla, and Tampico, the section between Pachuca and Molango having already started in cooperation with the Government of the State of Hidalgo.

On the Christopher Columbus Highway between Mexico City and Suchiate, the paving will be finished up to Oaxaca, and will be continued as far as the pre-Spanish ruins of Mitla, to accommodate tourists; The earthworks are expected to be completed on the Hejapa to Tequisistlan section which will permit communication with Tehuantepec by the end of 1944.

Work is to be continued on the highways between Mexico City and Ciudad Juarez and Nogales to Guadalajara, including earthworks and gravel surfacing on disconnected sections, which for the present will bring certain local benefits, making highway communication possible on the Mexico-Ciudad Juarez highway between Mexico City and the town of Adame, via Queretaro, Leon, Lagos de Moreno, and Aguascalientes.

Gravel surfacing is expected to be completed as far as Poza Rica on the highway between Zacatepec, Nautla, and Poza Rica, and the work of paving will be carried forward with the object of reaching Nautla.

On the Mexico City to Tuxpam highway as far as Tihuatlan, gravel surfacing is to be done a distance of 199 miles, and the paving work which reaches as far as Tulancingo is to be extended.

During 1944 also, the program of work for the construction of highways in cooperation with the governments of the States include—beginning construction on the highways: Celaya to Salvatierra in Guanajuato; Yautepec to Totolapa, as far as the junction with the Mexico City to Cuautla Highway in Morelos; and between the City of San Luis Potosi and Rio Verde, in the State of San Luis Potosi. Preference is to be given to the highways which are already under construction, such as that between Guadalajara and Barra de Navidad, in Jalisco; between

Business Is the Greatest Single Force for Social Good

New Zealand's Cod-Liver-Oil Markets

New Zealand probably has a higher per capita sale of cod-liver-oil preparations, and of the unadulterated product, than most other countries. Because the invasion of Norway cut off the main source of supply, there existed from 1940 until late in 1942 a large market for cod-liver oil from any country in a position to supply it.

Canada, Newfoundland, and the United States have become the main sources of supply. At present ample stocks are reported to be on hand.

Shortages of cod-liver oil caused the erection of two plants in which liver oil is extracted from shark, swordfish, and other varieties of fish. This oil is used mainly to increase the vitamin content of foods and medicines and is not regarded as a serious competitor of cod-liver oil.

Import statistics for the year 1941–43 are not yet available, but the following table illustrates the extent of the market and the re-direction of trade beginning in 1940. The figures do not reveal the full effect of the loss of supplies from Norway, since New Zealand importers, anticipating shipping difficulties, placed orders early and in large quantities.

New Zealand Imports of Cod-Liver Oil (in Gallons)

	1937	1938	1939	1940
United Kingdom	35,084	23,234	29,878	22,532
Canada	------	10	------	2
Newfoundland	------	------	5	10,545
Australia	2	142	41	1,150
Norway	15,701	37,692	35,574	12,605
United States	1,449	1,152	243	59

Monterrey and San Pedro de Roma, in Nuevo Leon; and between Victoria and Matamoros, in Tamaulipas.

Electrical Machinery and Equipment

Canadian Power Production

Canada's electric-power stations generated 3,298,017 kilowatt-hours in February, as against 2,951,397 kilowatt-hours in February 1943. However, the figure for February of this year is slightly below the 3,528,858 kilowatt-hours generated in January, according to official Dominion statistics.

The Hydroelectric Power Commission of Ontario is planning to install an additional 18,000-horsepower unit in Canada at the Alexander Landing power plant on the Nipigon River, according to the foreign press. The new unit which is expected to cost approximately $500,000, will bring the total capacity of the Alexander Landing plant to 70,000 horsepower and the Cameron Falls power development to 140,000 horsepower.

New Factory Established in China

A new concern, the Szechwan Province Machinery Co., manufacturing light industrial machinery and electrical instruments, has been successfully established at Chengtu, China. The initial capital of $30,000,000 (National currency) was subscribed by the Provincial Machinery Works, the Provincial Machinery Experimentation Office, and the Provincial Radio and Machinery Repair Shop.

Projected Power Station, New Zealand

The Cobb River hydroelectric scheme in New Zealand is expected to be put in operation by the end of May, according to the foreign press. While the dam has not been constructed, it is believed that the fall of 1,900 feet in the river will be sufficient to allow a partial supply of electricity to be generated. When completed, this station will be large enough to adequately supply the cities of Nelson and Marlborough for the next 12 or 14 years.

Elevators in Demand in Bogota, Colombia

Lack of elevators in Bogota, Colombia, may affect the future prospects of multistoried buildings in the downtown section. As building space in the section is both scarce and costly, there has been a tendency to erect high structures. Banks will no longer grant money for this type of building unless a priority for an elevator has been obtained.

At present, there are 19 large buildings in various stages of construction which require elevators if the top stories are to be utilized. To rent office space above the third floor of a building not having elevator service is impracticable, because the high altitude of the city causes stair-climbing to be difficult for most persons.

Shortage of Electric Power in New Zealand

The New Zealand Government has added an amendment to the Electricity Control Order 1943, which will determine who will be eligible to connect with the electric supply system. New installations will be allowed only for essential defense works, hospitals, factories, industrial plants necessary to the war effort, and new dwelling houses; and then only in cases where no other substitute for electricity can be found. The above rule also applies to those wishing to extend their electric-power supply. Such drastic action was taken because New Zealand is experiencing a shortage of electric power.

Portuguese Imports of Electrical Goods

Portugal's electrical-goods imports during 1942 showed an increase over the 1941 figures, despite the multiplying difficulties of obtaining them, states the foreign press. Germany, Sweden, and Switzerland supplied a large part of the market. In 1942, the United States and Great Britain did not even maintain their 1941 levels.

The most outstanding increases occurred in the imports of telephone installations, lamps, and power-plant equipment. Decreases in accumulators, condensers, and most kinds of cable were reported.

Principal electrical imports are given in the following table for 1942 showing the countries of origin and the increase or decrease as compared with 1941.

[In thousands of escudos]

Class	1942	Increase or decrease
Accumulators and condensers weighing less than 8 kilograms per cell—Total	2,486	−1,116
Germany	406	−269
United States	432	−1,005
United Kingdom	675	−28
Switzerland	141	+135
Loudspeakers—Total	176	−246
United States	84	−251
United Kingdom	60	+15
Radio apparatus—Tptal	11,941	+112
Germany	4,953	+3,996
United States	1,319	−8,294
United Kingdom	2,839	+2,127
Switzerland	527	+409
Telephone apparatus—Total	2,779	+944
Germany	319	+168
United Kingdom	804	+335
Sweden	1,636	+494
Generators, motors, transformers, and parts—Total	11,402	+2,609
Germany	4,145	+2,253
United States	480	−1,534
United Kingdom	1,145	−342
Switzerland	4,199	+2,260
Sweden	1,204	+799
Complete installations for telephone exchanges (not including telephones, accumulators or dynamos)—Total	3,477	+2,299
United Kingdom	106	−186
Sweden	986	+156
Germany	2,255	+2,201
Insulating materials and porcelain insulators—Total	3,161	−435
Germany	1,779	−480
United States	195	−353
United Kingdom	496	+114
Sweden	527	+447
Batteries, dry—Total	570	+58
United Kingdom	181	+3
United States	73	−60
Germany	211	+39
Sweden	75	+75
Vacuum cleaners—Total	1,298	+222
Germany	127	−61
Sweden	1,152	+353
Insulated wire or cable—Total	5,502	−6,211
United Kingdom	2,834	−5,676
Sweden	518	+511
Spain	641	+639
Germany	868	+35
United States	538	−1,026
Lamps, for lighting or heating—Total	17,549	+4,680
Germany	7,011	+4,059
United Kingdom	2,594	+642
Hungary	6,111	+4,606
United States	578	−1,080

Manufacturing Plant Completed in Sweden

A new plant for the manufacture of electrical machinery was completed recently at Tellusborgsvogen, Sweden. The factory reportedly is under the control of the German Allgemeine Elektricitäts Gesellschaft.

This five-story building has a floor space of 8,000 square meters at present and will be expanded to 32,000 square meters at some future date. Part of the first floor will be used to manufacture equipment for electric street railways and trolley busses, as the company is anticipating a large market for these commodities in the future. With the exception of the fifth floor, which will be reserved for offices, the remainder of the building will be used for manufacturing radio apparatus, radiophonograph combinations, and other electrical apparatus formerly produced in Berlin.

Swedish Power Production

Swedish electric-power production has expanded greatly within recent years. Preliminary figures for 1943 estimate the amount of power generated at 11,000,000,000 kilowatt-hours compared with 9,793,000,000 in 1942.

The capacity of Swedish plants increased 110,000 kilowatts in 1943 and 150,000 kilowatts in 1942. When power plants now under construction or projected are completed, electric-power production is expected to total 12,000,000,000 kilowatt-hours annually.

Experiments in high-tension power transmission will be made in the spring of 1944 by the Allman Svenska Elektriska and the State Board of Waterfalls to determine the nature of the current to be used in conducting power from Norrland to central Sweden. As an aid in arriving at some conclusion, the 50-kilowatt power lines between Trollhattan and Mallerud will be used to transmit 6,500 kilowatts of 72 amperes at a tension of 90,000 volts as a test.

Hydroelectric Scheme Approved, Scotland, U. K.

A plan of the North of Scotland Hydroelectric Board to increase the annual output by some 6,274,000,000 kilowatt-hours has been approved by the Electricity Commissioners and Secretary of State for Scotland, according to a British trade journal.

Foodstuffs and Allied Products

Coffee and Cocoa

Nicaraguan Coffee Production

Nicaraguan coffee exports in 1943 amounted to $3,436,779, or approximately 22 percent of the total value of the year's exports.

About 75 percent of Nicaragua's coffee is grown in the Sierra and Carazo region, south of Managua. Superior-quality coffee which comprises about 20 percent of the total coffee crop, is grown in the Matagalpa-Jinotega-Nueva Segovia region, lying north of Managua between the Honduran border and Lake Managua. Small amounts of coffee are grown on the hillsides and slopes in the Departments of Esteli, Chontales, Rivas, and Chinandega.

In 1935 it was estimated that there were approximately 35,000,000 coffee trees in bearing as compared with an approximate 45,000,000 in 1926. A conservative estimate would place the present number at 30,000,000 trees growing on about 73,000 acres with an average yield of approximately 400 pounds of coffee per acre, sacked and ready for export.

Coffee production in Nicaragua has decreased during the past 5 years. During the 1943–44 season, production dropped to approximately 31,000,000 pounds, as contrasted with the 1934–35 season, when production reached a total of 44,000,000 pounds, a record high.

The following table shows the approximate annual production of coffee in Nicaragua by 5-year periods, based upon export figures and consumption estimates:

Period	Average production
	Pounds
1914–18	24, 250, 000
1919–23	28, 900, 000
1924–28	36, 000, 000
1929–33	32, 297, 000
1934–38	36, 700, 000
1939–43	34, 500, 000

Based upon an analysis of figures received from various growers, production costs for the 1943–44 season were estimated at more than $13 per 100 pounds, the highest ever known in Nicaragua, and for the previous season at $10 per 100 pounds.

The rise in production cost is attributed principally to higher wages paid for labor and to increased prices for food for laborers, farm implements and coffee sacks.

Prior to World War II, Nicaragua exported quantities of coffee to Europe, principally to Germany, France, and Great Britain, but since 1941 the United States has been the only customer for Nicaraguan coffee.

Nicaraguan Cocoa Industry

Production of cocoa beans in Nicaragua in 1943 is estimated at 750,000 pounds, based upon domestic consumption and exports. It is roughly calculated that some 750 acres of land, located principally in the Department of Rivas, were planted to this crop. The yield per acre probably averaged close to 1,000 pounds of beans.

Cocoa orchards are also found along the banks of several of the small rivers originating in northwestern Costa Rica and flowing into Lake Nicaragua. A few small plantings are reported in the Atlantic coastal region of eastern Nicaragua, principally in the valley of the Escondido River.

Consumption of cocoa in western Nicaragua is high—approximately 250,000 pounds of cocoa, beans were consumed in 1943.

Freshly ground cocoa beans and toasted corn mixed with water and sugar, known locally as "tiste," might be called the national beverage of Nicaragua.

Cocoa beans have long been an important item of commerce in Nicaragua. During the late 1930's Germany was the principal purchaser of Nicaraguan cocoa beans, but in 1943 all exports (valued at $46,174) went to the United States.

In view of the high quality of the Nicaraguan "criollo" cocoa bean and its preference in the world market, it has been pointed out that a program should be inaugurated to select high-yielding planting stock and to expand production, thereby returning cocoa to a prominent plane in Nicaraguan exports.

Dairy Products

Australian Milk Production

Milk production in Australia in 1942–43 totaled 1,128,100,000 gallons as compared with 1,106,148,512 gallons in 1941–42, according to the foreign press. Of this total, 803,500,000 gallons were used for butter (795,098,795 in 1941–42), 80,700,000 gallons for cheese (67,896,496), and 63,900,000 gallons (64,600,142) were processed.

The Australian milk-production goal for 1943–44 is 1,210,000,000 gallons, but production probably will not exceed the 1942–43 figure.

Quantities of whole milk are diverted to the production of preserved milk products, including sweetened and unsweetened condensed milks and concentrated milks, powdered full cream and skim milks and infants' and invalids' foods and milk sugar. The output of each of these products during the past 5 years is shown in table on next page.

Year	Condensed		Concentrated	Powdered	Infants' and invalids' foods
	Sweetened	Unsweetened			
	Tons	*Tons*	*Tons*	*Tons*	*Tons*
1938–39	14,570	550	1,659	10,712	1,259
1939–40	16,761	2,559	2,103	12,554	3,148
1940–41	24,394	4,879	4,900	14,567	2,716
1941–42	34,813	10,849	6,899	17,546	2,384
1942–43	26,322	11,475	7,541	14,886	4,756

Fruits and Vegetables

Pineapple Production in Brazil

Approximately 15,000,000 pineapples are produced annually in the State of Sao Paulo, in southern Brazil. The principal areas of production are in the Paraiba Valley near Taubate and in the region bounded by Campinas, Bebedouro, Ribeirao Preto, and Pirassununga.

Growers usually sell the fruit in the producing areas to agents of wholesalers from Sao Paulo. The last crop brought the growers from 20 to 25 centavos per pineapple while in the Sao Paulo market the fruit sold for between 2 and 2.50 cruzeiros each. Some of the larger producers sell their fruit directly to consumers through the municipal markets in Sao Paulo.

The Agronomical Institute in Campinas has been experimenting for several years in an effort to improve existing varieties and develop new ones. One of their objectives is to produce a plant with thornless leaves. Some work with fertilizers and spacing of plants has been carried on at the stations in Limaira and Tatui. No results have as yet been published.

Conditions for the growing of pineapples in Sao Paulo appear to be favorable. Climate and soil are favorable for growing the plant and the weevil is the only insect known to have damaged it in recent years, and this amounted to only 5 percent of the crop.

Chilean Potato Crop

A larger area (148,240 acres) was planted to potatoes in Chile in 1943 than in 1942, when 135,401 acres were sown, but because of a decreased yield only 4,856,161 metric quintals (1 metric quintal=220.46 pounds) will be harvested in 1944 as compared with 5,119,063 quintals in 1943, according to the first official estimate of the Chilean Ministry of Agriculture.

Drought conditions in the principal non-irrigated south-central and southern regions of Chile were the cause of this year's poor crop. The crop will, however, be large enough to take care of the country's potato needs.

French Moroccan Fruit and Vegetable Production

It is reported that as the result of larger areas planted to vegetables in French Morocco in 1943, the Casablanca wholesale vegetable market has been well supplied with a variety of vegetables this year.

In January 1944, 2,607 metric tons of vegetables were received at the market as compared with 1,536 tons in the corresponding month of 1943. February vegetable receipts totaled 2,377.5 tons as against 1,499 tons in February 1943. In the first 3 weeks of March 1944, more than 2,000 tons of vegetables were placed on sale.

The fruit situation was not so favorable. During the first 2 months of 1944, 1,322 metric tons of fruit, principally oranges, were available compared with 2,166 tons in the corresponding period of 1943. Large receipts of oranges were reported in the latter part of March.

Grain and Products

Egyptian Rice Production

Rice production in Egypt in the 1943–44 season is estimated at 480,000 metric tons on an area of 668,203 acres, as compared with 566,000 tons on 699,337 acres in 1942–43, according to the latest statistics of the Egyptian government.

An estimated 370,000 tons of bleached and glazed rice were consumed in Egypt in 1943.

Indian Rice Crop

The final general memorandum on the Indian rice crop of 1943–44, published in the Indian Trade Journal of March 30, gave the total area planted to rice at 79,960,000 acres—an increase of 6 percent as compared with 75,193,000 acres sown in 1942–43. This forecast was based on reports received from Indian Provinces and States comprising 97 percent of the total rice-producing area in India. The yield of cleaned rice was estimated at 30,603,000 tons, an increase of 23 percent as compared with 24,896,000 tons in 1942–43.

The above figures do not include rice grown in the North West Frontier Province, Ajmer Merwara, and certain Indian States, which on a basis of an average for the 5 years ended 1941–42 is estimated at 2,446,000 acres with an annual yield of 936,000 tons.

Meats and Products

New Zealand Exports

New Zealand exports of frozen beef during the calendar year 1943 totaled 19,053 long tons, valued at £NZ876,758, according to the Monthly Abstract of Statistics for January 1944, as compared with 40,178 tons valued at £NZ1,966,728 in 1942.

Veal exports totaled 6,316 tons, valued at £NZ279,076, in 1943, as against 5,434 tons, valued at £NZ258,502, in 1942.

The following figures, showing total killings at abattoirs and meat-export slaughterhouses during the period May to December in 1941, 1942, and 1943, were compiled by the Livestock Division of the New Zealand Department of Agriculture:

Period	Cattle	Calves
	Number	*Number*
May to December 1941	333,717	986,352
May to December 1942	422,889	987,762
May to December 1943	370,125	986,182

No Oil, in the Oil-Rich Indies?

After two years of occupation the Japanese, apparently, still have not succeeded in repairing all the Netherlands Indies oil refineries which were so thoroughly destroyed by the Dutch when they retreated from the islands in March 1942. Consequently, their objective to utilize the Archipelago's annual yield of 58,000,000 barrels of petroleum for their war machine has not been achieved. The enemy has the raw product, but lack of *refining* utilities has forced him to seek "ersatz" motor fuels.

Recently, a broadcast from Batavia reported that the Japanese are building a plant on Java which will convert *palm oil* into motor fuel. In 1940, the Indies produced 236,651 tons of this oil, or 24 percent of the world's supply. However, all but 10 percent was exported and used in the manufacture of soap and chemicals.

Experiments had demonstrated the possibility of converting palm oil into motor fuel, but with the Indies' vast petroleum resources the need for such a replacer never arose. The Japanese, however, claim that their processing method is simpler and more economical than previous methods. Their contention is based on the fact that it does not require "absolute" alcohol (99 percent dehydrated) and sulphuric acid, and consequently obviates the need for acid-resisting equipment.

Their process utilizes only refined palm oil, water, caustic soda, and commercially pure alcohol (95 percent dehydrated). Furthermore, their process (the Japs claim) takes less time, because it excludes the lengthy alcohol-dehydrating step, while the resultant fuel is practically free from the danger of putrefaction.

Sugars and Products

Nicaraguan Sugar Industry

The production of sugar is an important industry in western Nicaragua and indications are that 1944 sugar exports will reach 5,000 short tons, the highest figure since 1938.

Sugar exports from Nicaragua had been generally on a decline since World War I because of low world-market prices for this commodity. In 1920, sugar exports, valued at $2,346,000, were 22 percent of the total value of all commodities shipped from Nicaragua. By comparison, exports during 1943 amounted to only $228,650, which was no more than 1 percent of the total value of all commodities exported.

There are 22 sugar refineries in Nicaragua, in addition to numerous

small mills making granulated molasses blocks known locally as "panela" or "dulce."

Production of sugar and its byproducts is a considerable source of internal revenue for the Nicaraguan Government. The tax derived from liquors distilled from molasses, such as rum and aguardientes, constitute an important internal-revenue tax. Of the total Nicaraguan Government budget for 1943–44, estimated at $9,000,000, liquor taxes amounted to $840,000 and the tax on sugar produced to $90,000.

The total production of white sugar during the current milling season, which will end during May or the first part of June 1944, is estimated at 16,000 short tons, as compared with 13,500 tons in the 1942-43 season. The above production is from an area of 8,000 acres. A much larger acreage supplies the cane used in the production of panela or dulce.

Although the Nicaraguan Sugar Estates, Ltda., the principal refiner of white crystallized sugar in Nicaragua, reported a yield close to 160 pounds per 2,000 pounds of cane during the 1943–44 season, most of the other sugar mills are said to have had a yield of approximately 110 pounds of white sugar to 2,000 pounds of cane. It is believed that the higher production of the Nicaraguan Sugar Estates, Ltda. was the result of the use of irrigation facilities and commercial fertilizers.

Annual consumption of white sugar in Nicaragua during the past few years is estimated at 11,000 short tons.

Although Nicaragua has an exportable surplus of sugar, small lots of sugar are imported annually, principally from the United States, Honduras, and Peru. Transportation costs make it less expensive to import foreign sugar into the east ports than to ship domestic sugar from the producing areas in the west.

Glass and Products

Spanish Glass Industry Inoperative

Spain's glass industry was forced by the shortage of fuel to discontinue operations at a time when there was an opportunity for the exportation of large quantities of bottles to Portugal.

Glass-Bottle Manufacture, Uruguay

Manufacturers of bottles in Uruguay, taking advantage of an increased supply of fuel oil, report a definite increase in activity in March instead of the decline which usually follows the summer season. The country's demand for glass containers for foods and pharmaceuticals is met almost entirely from domestic production.

Iron and Steel

Value of Canadian Imports

The value of imports of iron and iron products into Canada in February 1944, with values for February 1943 in parentheses, included $173,000 ($927,000) in pigs, ingots, blooms, and billets; $585,000 ($453,000) in castings and forgings; $3,387,000 ($4,573,000) in rolling-mill products; and $477,000 ($485,000) in pipe and tubes.

Increased Steel Production in Brazil

Production of steel in Brazil in 1942 is reported by the foreign press at 159,814 tons, an increase of 40 percent over the figure for 1939.

China's 1943 Production

Production of more than 4,500 tons of steel and nearly 16,000 tons of pig iron in China in the first half of 1943 is reported in the foreign press, crediting the statement to a spokesman of the Chinese Government.

Leather and Related Products

Colombia's Boot and Shoe Industry

The boot and shoe industry of Colombia need not fear a post-war slump in the demand for its products, states a foreign publication. This war-expanded industry has employed more efficient methods of production, reduced its manufacturing costs to a minimum, and steadily improved the quality of its finished products. The industry believes that little tariff protection will be necessary to insure its retention of the bulk of the market.

Reduction in Coupon Value on Shoes, U. K.

The Board of Trade of Great Britain announced recently a modification of the footwear concession made on November 27, 1943, states a foreign publication. The original concession provided for a reduction from 7 coupons to 5 coupons on certain lines of women's shoes selling at retail for not more than 15 shillings per pair. The modification, made effective from April 1 to June 30, 1944, provides for a similar reduction in coupon value of certain wholesaler's and retailer's stocks of nonutility footwear.

Manufacture of Officers' Boots, Union of South Africa

The boot and shoe industry of the Union of South Africa has been asked to supply officers' black and brown boots up to 4,000 pairs per month during 1944 for Middle-East requirements.

Livestock

Livestock Census, Prairie Provinces, Canada

A recent Dominion Bureau of Statistics Livestock Report showing the livestock population of Canada as of December 1, 1943, indicates that there have been increases in the Prairie Provinces in all types of animals. Hogs showed the most notable increase, having gained 39 percent. Hens and chickens were up 18 percent, while cattle, other than milk cows, and sheep followed in close succession, with increases of 17.3 and 17 percent, respectively. Milk cows gained 5.2 percent, and turkeys increased 5.1 percent.

The following table shows the number of livestock in the Prairie Provinces on December 1, 1942, and December 1, 1943:

Item	Dec. 1, 1942	Dec. 1, 1943
Hogs	4,333,700	6,023,000
Hens and chickens	19,670,900	23,215,900
Cattle, other than milk cows	2,409,400	2,827,800
Sheep	1,189,800	1,391,600
Milk cows	1,217,500	1,281,100
Turkeys	2,128,600	2,237,100

Lumber and Products

Wood Utilization in Australia

Charcoal from timber resources in Southwest Australia will provide excellent blast-furnace fuel.

Possibilities of establishing a large-scale charcoal iron industry in the Bunbury district were investigated before the war. Definite plans, including the reservation of sufficient forest land to maintain the industry permanently, had been completed, but because of difficulties occasioned by the war, the project has been postponed until more normal conditions return.

A large wood-distillation plant to produce the necessary charcoal will operate in connection with the two blast furnaces to be erected. This plant will provide substantial quantities of glacial 100 percent acetic acid and wood naphtha. The availability of acetic acid, an important industrial chemical, is expected to lead to the establishment of other enterprises, including transparent-paper and rayon factories. Production of large stocks of methanol and wood naphtha also will attract manufacturers to Western Australia.

Canada's Lumber Industry

Canada's lumber exports to the United Kingdom increased by 246,699,000 feet in 1943 over the preceding year, according to published Canadian customs statistics.

Douglas fir, spruce, and hemlock were the leading species. Exports of Douglas fir increased substantially, and hemlock shipments were almost triple the 1942 figure. Spruce showed only a slight increase.

Exports to the United States in 1943 declined 50 percent, Douglas fir showing the largest decrease, followed by spruce. Shipments of birch and maple were slightly larger than in 1942, and the total for other hardwoods was more than double the amount for the preceding year.

Exports of red-cedar shingles to the United States from British Columbia during March declined from those in the preceding month and were also smaller than in March 1943.

The price increase on cedar logs, effective April 1, may have an unfavorable effect on shingle production, as some mills are not in a position to absorb the additional cost.

Birch-veneer logging operations in British Columbia have been halted, following the cancelation of certain orders for trainer planes as a result of a reduction in the Commonwealth Air Training Scheme, says a British lumber magazine.

The mill manufacturing this aircraft plywood will continue in full operation, however, since it has been converted to the production of another type of plywood for naval construction.

British Columbia's cascara trees have been overcut to such an extent that they are in danger of extermination, reports the chief forester of the Province.

Submerged Iron-Ore Deposits in Canada

Every day, since January 4, 14 large-size centrifugal pumps have been at work unwatering Steep Rock Lake (surface area 4 square miles, and a maximum depth of 300 feet), located in northeastern Ontario, to expose submerged deposits of high-grade iron ore for mining. Two million tons of water are withdrawn each day, and this amount would adequately supply 14 of the largest Canadian cities daily.

This is said to be the largest pumping job ever carried out in connection with a mining operation, as 121,000,000,000 gallons must be removed before mining can be started.

In connection with these operations, Canadian National Railways is constructing 3½-mile spur line from Atikokan, Ont., to the site; building an ore-loading dock at Port Arthur, Ont., and also building 250 cars in which to haul the ore to the lake port.

The trees are readily identified and are often improperly cut. Protection has been a difficult problem, even on Crown lands, where cutting is subject to permit.

Spruce production in the Queen Charlotte Islands, British Columbia, Canada, will continue without interruption, even though the development program which featured the early phases of the work has been completed, says a Canadian lumber publication.

Aero Timber Products, Ltd., the Crown company responsible for obtaining spruce for British plane production, was able to meet all requirements for 1943, it is stated. Arrangements have been made to handle 1944 orders as they are received.

Lumber Situation in Honduras

Although timber resources in Honduras are substantial, domestic lumber has not been employed to any great extent.

Lumber requirements have been met in the past almost entirely by imports from the United States. When these supplies were cut off because of the war, limited amounts of lumber were made available to local consumers by a small mill in La Ceiba. However, a definite lumber shortage continues to exist in the La Ceiba district.

Development of a lumber concession in the Mosquitia region of Honduras, in which the extraction of yellow-pine logs will be the principal operation, is scheduled to begin this spring. The United States is expected to be the chief market.

The project possibly may use 1,000 men by the end of 1944, which would help in providing employment for labor returning to the area from other parts of the country and from Panama.

Timber Supplies in India

Substantial supplies of timber have been furnished by the State of Mysore for the war effort, reports the Mysore Forest Department.

The contribution has been made in three ways—in the form of supplies to the military forces; timber for industrial firms and Government departments for the execution of war orders; and the provision of raw materials for essential industries recently established. Products supplied have included logs, sawn lumber, bamboo tent posts, bamboo poles, teak poles, and tool handles.

Labrador's Lumber Industry

A large portion of the lumber used in building the Goose Bay airport, Labrador, for the Canadian Government was cut and milled locally, says a Canadian lumber publication.

In the beginning it was thought that most of the lumber required would have to be shipped from Canada, but since operations started, more than 12,000,000 feet have been cut from nearby spruce and balsam stands, and several million feet of dunnage have been used. A little more than 2 years ago the site was covered with small-sized trees; now on the area are twin towns, one Canadian and one United States; wharves; and an airport.

Logs are handled at three small sawmills. Most of the doors and sash were brought from Canada at first, but the construction company handling the project now has a well-equipped woodworking shop, which produces all types of millwork. About 30,000 cords of firewood have also been cut.

Although sufficient lumber has been obtained for the airport, resources do not justify the establishment of a commercial-scale lumber industry, it is said.

Wood Utilization and Sales, Sweden

Sweden, possessing large forest resources, has been able to meet fuel requirements without too great difficulty, even though imports of coal and coke have been small, says a European lumber journal.

Fuel wood cut during the period 1940–43 totaled 120,000,000 cubic meters, of which 37,000,000 were produced in 1943.

Swedish sales of sawn wood to Germany in February are estimated at 10,000 standards (1 standard=1,980 board feet) and were the first purchases this year by German importers, state press notices from Sweden.

Demand has been chiefly for redwood battens and some redwood boards; less whitewood was requested.

Number of Forest Fires Reduced, U. S. S. R.

Forest fires in the Soviet Union have been reduced 50 percent in the last 5 years, according to a statement from official sources at Moscow which appeared in a foreign lumber journal.

Planes patrol the forests, and the pilots drop messages in the nearest town or village when a fire is seen. Farmers and lumbermen in the vicinity then mobilize to fight the fire. In remote

regions fire fighters and their equipment are dropped by parachute.

The most modern methods of fire prevention and forest management have been adopted, even under war conditions, to preserve the vast Soviet timber resources. Forest engineers are recruited from forestry colleges, which graduate more than 1,000 technicians annually.

Sales of Wooden-Soled Shoes, U. K.

Thus far, 1,000,000 pairs of wooden-soled shoes have been sold in Great Britain, states a foreign trade publication. The Board of Trade is reported to be interested in further increasing the popularity of this type of shoe, and it is hoped that, with the arrival of summer, sales will be accelerated.

Forests Overcut in Yugoslavia

Overcutting of forests near populated areas in Serbia and the lack of systematized reforestation have resulted in a continuous reduction of forest lands, says the European press.

Forests now cover only 21 percent of the entire area of the State. Only 45 percent of this amount consists of large trees, the remainder being medium-sized and low trees, and underbrush. Of the total forest area, 22 percent is State property, 28 percent belongs to the communes, and 50 percent is privately owned.

Wood consumption, particularly of firewood, is high; 96 percent of the household fuel requirements are covered by wood, only 4 percent being furnished from coal and coke. The country's total annual consumption of wood amounts to 1,850,000 tons. New growth is estimated at 2,700,000 cubic meters annually.

Large quantities of wood have been obtained in the past from Bosnia, "Croatia," and from Rumania, which formerly supplied 85 percent of the turn-over in wood, with only 15 percent home-grown. The entire amount must now be supplied by local forests, necessitating a considerable reduction in the use of firewood.

Machinery, Other Than Electrical

Manufacture of Diesel Engines, India

Diesel engines up to 110 horsepower are being manufactured by the Cooper Engineering Works in Satara, Bombay, India, says the foreign press. Accelerated expansion has been made by this company which formerly produced only agricultural implements.

Medicinals and Crude Drugs

Fish-Oil Extraction in Brazil

Among industries to which the war has given rise in Brazil is fish-oil extraction. Formerly a regular importer of fish oil, with a marked preference for pure cod-liver oil, Brazil recently has developed its own industry, using livers from sharks which are found in abundance in local waters. Although figures on production of vitamin oils in Brazil are not available at present, it is to be presumed that output is meeting domestic needs, for there is said to be almost no market in Brazil for imported fish oils of any kind.

Registration of Patent Medicine, Honduras

A decree dated February 2, 1944, governs the registration of patent medicines in Honduras. It provides that each medicine registered must have a "certificate of free sale issued by the health authorities of the country of origin," which means, in effect, that with respect to products exported from the United States to Honduras, the pure food and drug laws will keep out of Honduran markets any product barred from sale in the United States.

Manufacture of Fish-Liver Oil, New Zealand

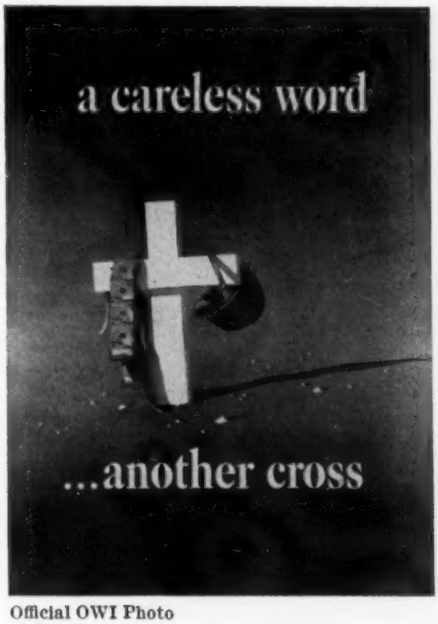
Licenses for the manufacture of fish-liver oil have been granted to two local firms by the New Zealand Department of Industries and Commerce.

Nicaraguan Exports

Nicaraguan exports to the United States of balsam of Peru and ipecac roots were less in 1943 than in 1942. Balsam of Peru is produced in western Nicaragua, while ipicac roots are grown in the eastern and southeastern parts of the country where the annual rainfall exceeds 100 inches.

Demand for Buchu, Union of South Africa

South Africa has experienced a wartime revival in demand for the Cape herb, buchu. A total of 90 tons of the herb was exported during the past season to the United States and Great Britain, and smaller consignments went to Australia and New Zealand. The price has soared to 3s. per pound, three times the pre-war price.



Official OWI Photo

Local demand for the herb is small, pharmacists and certain distilleries using it to produce a medicinal buchu brandy.

Motion Pictures and Equipment

Film Imports into Australia

During 1943 there were imported into Australia 1,665 standard films of all classes—scenic, topical, educational, and dramatic. While total imports were higher than in the 3 preceding years, with the exception of 1941, the number imported from the United States decreased to 54.9 percent of the total. The number from the United Kingdom rose from 5.6 percent to 31.5 percent, and those from other countries increased from 5.2 percent to 13.6 percent. The change in films of British origin may be attributed to increase of Ministry of Information, Industrial, and Service Training films; and the variation of imports from other countries is accounted for by the increase of those of Russian origin. Small change was noted in imports of feature films, United States films being only 1.3 percent less than in 1942, and British films only 0.07 percent less.

Of total films imported, 1,620 passed inspection of censors without elimination, 43 passed with certain eliminations, and 2 were rejected in the first instance. Those which chiefly concern the censorship are feature or dramatic films, of which there were 362 imported. Of this number, 323 came from the United States. Only one of these was rejected.

Australia exported 644 films during the year, of which 465 went to the British Empire and 63 to the United States.

Naval Stores

India's Production of Rosin and Turpentine

India's rosin industry has an annual production of 8,000 tons, says a British chemical magazine.

High-grade colophony and also a good quality turpentine are produced by the French method of tapping and distillation; the turpentine contains a mixture of several terpenes, such as carene and longifolene, besides pinene, which is the principal ingredient of United States and French turpentines.

Cobalt Production and Sales, French Morocco

The United States purchased most of the cobalt at Bou Azzer, French Morocco, in the period between the landing of Allied forces in that area and December 1943. Since that date none has been sold because of lack of trucks to haul the ore.

The nearest railroad is 300 kilometers away, at Marrakech. The Bou Azzer deposit, the only known cobalt deposit in French Morocco, is located in the Ait Tasla, on the Tazenakht-Agdz road, about 36 kilometers east of Tazenakht.

The cobalt mine was opened about 9 years ago and is fairly well equipped, considering the almost inaccessible location and supply difficulties caused by the war. A great deal of exploratory work must be done before mining operations begin, as the deposits are found in pockets in solid rock. There are 36,000 metric tons of proved resources, and vastly larger deposits are believed to exist. The several levels of the mine, the deepest of which is 175 meters, appear to be well designed and well supported. The mine employs 34 Europeans and 500 natives, who are working under the direction of a French manager.

The cobalt content of the ore, ranging from 5 to 17 percent, averages 12 percent.

Nonferrous Metals

China's Tungsten Production

China, with tungsten reserves estimated at 1,873,000 tons (of which 1,047,000 tons are in Kiangsi) produces half of the world's tungsten, reports a foreign trade journal.

Nonmetallic Minerals

Production of Portland Cement, Peru

Raw materials are abundant in Peru for the production of portland cement, but white cement for tiling and other special masonry is imported.

Cement production in Peru (in barrels of 170 kilograms) increased from 987,482 in 1941 to 1,111,071 in 1942, and to 1,227,054 barrels in 1943. Imports dropped to 30,527 barrels in 1941, 3,606 in 1942, and 3,841 in 1943 from the 235,832 barrels imported in 1939.

Peru's present needs for portland cement are supplied by one company which has a factory near Lima and an older plant in the city. Construction of a portland-cement plant, with a daily capacity of 4,000 barrels, is planned (location to be on the Santa River), and consideration is being given to the erection of three other factories—one in Chiclayo, one in Lima, and one in Arequipa.

Diamond Industry, Union of South Africa

Sales of diamonds in the Union of South Africa in 1943 reached the record total value of over £20,000,000, nearly double the value for 1942, the foreign press reports.

Wage increases of over 400 percent between 1939 and the end of 1943, with corresponding increases in cutting charges, resulted in a control of manpower in the diamond-cutting industry, announced on March 4, 1944. This control puts a ceiling on wages, subjects the movement of labor to Government direction, and reduces the possibility of the mushroom growth of cutting factories by curtailing licenses.

Oils and Oilseeds

Oilseed Cultivation Extended in Germany

Germany has made a basic revision of its food-growing program for 1944 with emphasis on the growing of oil-bearing seeds, the foreign press reports. Last year some 450,000 hectares were allocated to the cultivation of oilseeds, with production of 280,000 tons of oils. This year area under oleaginous cultivation will be 600,000 hectares, with an estimated yield of 365,000 tons. Before the war, Germany's cultivation of oilseeds was negligible.

Shortage of Fats and Oils in Spain

Spain is experiencing an unprecedented shortage in greases, fats, and oils, because the olive crop for several seasons has been poor and imports of fats have virtually ceased. Under normal conditions Spain has an excess of oils, fats, and greases, owing to the large production of olive oil which is more than sufficient to meet domestic requirements for food, and to the supplies of cheaper vegetable and animal fats which are abundant for use in soap, candles, pitch, and margarines.

Oils From 1943 Olive Crop, Syria and Lebanon

Production of edible and sulfur oils from the 1943 crop of olives in Syria and the Lebanon was 11,800 metric tons, according to official and trade estimates. No olive oil has been known to be exported since October 1943, when exportation of this product was prohibited except under special license. Since no seed oils and fats are being imported into the country, it is expected that in the future more olive oil will be consumed locally.

Stocks on hand are believed to be between 5,000 and 8,000 metric tons.

U. K.'s Linseed Imports

British imports of linseed from Argentina during 1943 amounted to 531,535 metric tons, the British press reports. From this amount some 160,000 tons of oil were obtainable.

Since pre-war consumption of linseed oil in the United Kingdom was about 120,000 tons annually, imports from Argentina alone can meet normal demands and provide a surplus. Since Great Britain imports linseed from other countries besides Argentina, its position in regard to supplies of this valuable product is said to be good.

Official OWI Photo

Paints and Pigments

Paint Manufacture, Union of South Africa

Local production helps to compensate for the serious shortage in South Africa of many types of paint, says a foreign chemical journal.

Manufacturers are producing ready-mixed paints, industrial finishes, enamels, lacquers, primers, driers, and varnishes. Some firms have a dry-pigment department which furnishes a large selection of colors, it is stated.

Paper and Related Products

Paper Supply Limited in Colombia

It is the opinion of a reliable businessman in Barranquilla, Colombia, that a shortage of paper may again be felt, despite the recent arrivals of large shipments of the product. Prices of paper have increased.

Paper Production in India

A paper plant was recently put into operation at Bezwada, India, under the authorization of the Madras Government. This mill, the first of a projected series of four paper-making centers, is expected to produce one-half ton of hand-made paper daily.

Petroleum and Products

Butane Shipments From Argentina

The Argentine Government recently has authorized shipment of 1,000 tons of butane to Brazil in exchange for steel pipes, the foreign press reports. Argentina is undertaking a program of development of petroleum resources and is said to be in urgent need of pipes.

Exploring for Oil, Bahamas, B. W. I.

Representatives of a foreign oil company have spent several weeks in the Bahamas during which time they made several exploratory trips by boat and plane to the various out-islands. Apparently they were particularly interested in the island of Andros.

So far as known, there exists in the Bahamas no mineral rights law.

Exploration and Production in Canada

Oil and natural gasoline production in Alberta, Canada, in February 1944, amounted to 707,882 barrels, compared with 757,158 barrels in the corresponding month of 1943, according to a recent announcement by the Petroleum and Natural Gas Conservation Board, in Calgary. Daily average for the two periods was 24,407 and 27,041 barrels, respectively. Nearly all the production came from the 255 wells in Turner Valley. Some 14,053 barrels came from 33 wells in the Vermilion field, and a small amount from the Taber field. When outlet facilities for the Taber field can be provided, this field will be capable of producing more than the Vermilion field.

Natural gas production from 381 wells in Alberta was 5,321,420,000 cubic feet, compared with 4,953,758,000 in February 1943. The gas/oil ratio in Turner Valley for February was 3,510 cubic feet per barrel compared with 2,940 cubic feet in the corresponding period of the preceding year.

In an effort to stimulate drilling, the Alberta Government (Canada) has issued a new regulation whereby a "returnable deposit" is substituted for the usual lease rental to the Government. The new regulation permits a company, syndicate, or an individual to make a reservation up to 10,000 acres of land on which geophysical examinations, exploration, and actual drilling may be carried out without obtaining a lease from the Government.

The entity holding the reservation is required to make a cash deposit of $1 per acre and to guarantee an expenditure of this amount in actual work on the area. Such a step was precipitated by the decrease in production from Turner Valley during 1943.

One United States company and two Canadian companies will begin oil-drilling operations in Nova Scotia, Canada, as soon as the weather permits, says the British press in a March report. While there is at present no actual production in Nova Scotia, the area is believed to be promising.

Oil-bearing shales exist in some quantity in Pictou County in the Province.

Explorations for oil were carried out in Saskatchewan, Canada, during 1943, the British press reports, with some indication of oil or gas in most wells drilled to a reasonable depth. A more intensive search for structures is expected to be carried out in 1944.

New Sources of Petroleum Sought in New Zealand

In an effort to develop independent sources of petroleum products, New Zealand is directing attention to the possibility of exploiting oil-bearing shales, the foreign press reports. Some work has already been done at Orepuki, where mining problems are difficult, but particular interest is being centered at Nevis, near Cromwell.

Pipe Lines Operating in Rumania

A new pipe line linking the oil refinery at Teleajen, Rumania, with the Danube port of Giurgiu has been put into operation, the foreign press states. Another pipe line between Cernavoda and the Black Sea port of Constanta was reported in March to be under construction. It is said that a gas line has been built from Manesti to Bucharest, and that another from Botorca to Bucharest is being built.

Official OWI Photo

Swedish Railways Use Less Lubricating Oil

The Swedish State Railways, despite increased traffic, used only 75 percent as much lubricating oil in 1943 as in 1938, the foreign press states.

Recovery of Oil From Shales, Sweden

A recent report on recovery of oil from shales was made by a British visitor to Sweden, the British press reports. Four methods of extraction are being used in Sweden, it is said, with most favorable results being obtained from the Lungstrom method. By this process, which heats the shales in the bed and provides for the recovery of oil through condensation, the volume obtained is three times as great as that obtained through the traditional retort system used in many places.

New Oil Deposit Located in Turkey

A new oil deposit located at great depth is reported to have been discovered in Southern Anatolia, Turkey. Further studies as to productivity are being made.

Gasoline Conservation (Scotland), U. K.

Steps are under consideration to convert to producer gas one out of every five vehicles in the city of Aberdeen, Scotland, in an effort to conserve gasoline supplies, the British press reports.

Benzol Recovery in U. K.

A plant for the recovery of benzol recently went into operation at the Leigh Corporation Gasworks in Great Britain, the British press reports. The plant is said to be one of the finest of its kind in the country.

Oil Refining in Venezuela

The petroleum refinery to be constructed in the State of Zulia, Venezuela, will have daily throughput of 40,000 barrels, the foreign press reports. This construction is part of Venezuela's program to become self-sufficient in refining capacity.

Soaps, Toiletries, and Essential Oils

Eucalyptus-Oil Production in Australia

The Australian eucalyptus-oil industry produced a total of 110,000 gallons of medicinal oils during 1941 and 1942, the British press states. Domestic consumption totaled about 20,000 gallons during the same period. Exports on medicinal oils from eucalyptus for the period 1938–43 were approximately 487,000 gallons.

Piperitone, a constituent of eucalyptus, is used in the preparation of synthetic menthol, of which about 12 tons are used annually in the manufacture of confectionery, medicines, soaps, toothpaste, and cigarettes.

Supply of Chilean Soapbark Scarce

Shortages in supplies of the native Chilean product, soapbark (*Quillaja*), have kept the price around 195 to 200 pesos per 46 kilograms of packed soapbark.

Cultivation of Aromatic Plants, Greece

The climate of Greece is favorable for the cultivation of aromatic plants for the production of perfumes and pharmaceuticals, including lavender and mint. The yield of extract is much larger than in colder countries. Many aromatic plants, the oil of which can be distilled, also grow wild. These include thyme, origanum, sage, and chamomile.

Soap Shortage in Switzerland

Swiss soap rations for the last quarter of 1943 were severely cut, a serious shortage having developed because of difficulties in importing oils and fats. Private persons had their allowance of 450 points in the preceding quarter decreased to 250 points. Allowances for institutions were based on their 1940 supply. Hospitals, sanitoriums, and children's homes received 80 percent; hotels received 50 percent; but restaurants, pensions, tearooms, and bars had to be content with only 40 percent of the 1940 figures.

Perfume Industry in Union of South Africa

South African perfume manufacturers have been using the war period to strengthen their position, hoping that they may be able to hold the local market even when peace allows free importation. Leading manufacturers, maintaining a high standard of quality, have marketed only perfumes which have been maturing for as much as 3 years, the

bouquet guaranteed to be equal to that of imported varieties. Under these conditions they have been able to offer limited quantities only and at higher prices than should exist for local products.

Special Products

Regulation of Furniture Manufacture in U. K.

Problems of reconversion of furniture factories to peacetime production are already under consideration by the industry in Great Britain. Shortly before Christmas the Furniture Industry Post-War Reconstruction Committee, representing employers and operatives, made an interim report to the Board of Trade on recommended procedure. Such activity was deemed necessary in view of the fact that factories, which have been closed or converted to war production, will be faced with a shortage of both materials and labor when they go back into production of furniture. It is believed that for some time output will be unable to meet anticipated needs.

The first recommendation made by the Committee is, that control retained after the war be gradually relaxed, as production catches up with demand, until it ceases entirely. This control should be centered in a body composed of representatives of manufacturers, operatives, and the Board of Trade, with final authority resting with the President of the Board of Trade. A special function of this group should be an equitable distribution of materials to factories which made furniture in 1939 when, in either whole or in part, they are again made available to the industry, in preference to factories which are taking up the manufacture of furniture for the first time. After materials have been allocated, the responsibility of starting production should rest with manufacturers and operatives.

The main recommendation is that manufacture of utility furniture cease and that standard furniture take its place. Utility furniture refers to that designed as a war-time expedient. Standard furniture refers to good, durable furniture of such quality and designed to meet post-war needs of the average buyer. As with utility furniture, standard furniture should be free of purchase tax. All manufacturers should be required to construct a certain quota of standard furniture before they make any kind of nonstandard furniture, which also would have the minimum quality requirements. Quotas should be adjusted from time to time until they are done away with entirely. Adoption of this recommendation, it is believed, would preclude the possibility of putting on the market cheaply and poorly constructed furniture in the period when demand will be excessive.

It is further recommended that special legislation be enacted in time to provide a permanent minimum standard of quality, construction, and materials after all post-war controls have been removed.

The Committee stressed the fact that recommendations are as of the present only, and are subject to well-considered revision. Many other points, such as cancelation of Government contracts, specification of designs of standard furniture, procurement of additional machinery, control of profit, and allocation of factories, are under consideration; and it is expected that further recommendations concerning these matters will be made in the near future.

Textiles and Related Products

Wool and Products

Goat Hair Production, Iran

Iran's 6,000,000 or 7,000,000 goats are roughly estimated to yield 200 metric tons of hair yearly. In addition, approximately 100 tons of low-quality hair are produced from tanneries.

Normally about 100 tons of hair are used by tribal people for weaving tents and making ropes. No other commercial use is believed to exist in Iran.

During the year ended March 20, 1941, 1,136 tons of hair were exported, approximately one-half going to Germany. Between 150 and 200 tons of goat hair are reportedly exported on the skin each year.

During the past several years exports have been negligible. However, if foreign demand should warrant, production no doubt would again achieve the prewar level.

Syrian Goat-Hair Consumption

About 600 tons of hair are gathered annually from Syria's estimated 1,125,000 goats. Largest consumption is by the Bedouins who use goat hair in making tents and carpets. In normal years approximately 100 tons additional are imported.

Wearing Apparel

Australian Theater Converted to Clothing Factory

As part of Australia's program to expand its clothing industry by 50 factories, a large motion-picture theater was recently transformed into a factory, reports a foreign publication.

Production in Union of South Africa

Battle-dress blouses and trousers, shorts, and blankets are important products of the South African textile industry. Ready access to most raw materials permitted steady operation throughout 1943.

Demand for textiles from the Western Hemisphere has increased noticeably.

Canadian Manufacture of Infants' Wear

Approximately 2,453,273 dozen garments for infants and children were manufactured in Canada in 1943, reports a textile periodical. These include 1,217,463 dozen woven fabric garments, 488,983 dozen pieces of knitted outerwear, and 746,827 dozen pieces of underwear. Production of children's socks and stockings is estimated at 18,000,000 pairs.

Overalls for men not in the armed services totaled 3,025,971.

About 24,263,060 yards of flannelette was manufactured. Much of this went to the Red Cross and other relief organizations for use abroad.

Tobacco and Related Products

Tobacco Acreage Increased in Argentina

The area in Argentina planted to tobacco in the 1943–44 season is now placed at 46,936 acres, according to the second official estimate. This figure represents a slight increase over the first estimate issued in December 1943 and a 6.8 percent increase over the acreage figure for 1942–43.

Canada's 1943 Tobacco Sales

During 1943 there were sold in Canada 11,251,760,000 cigarettes, an increase of more than 1,000,000,000 units, compared with 1942 sales of 10,231,900,000 cigarettes. On the other hand, sales of cut tobacco for pipes and roll-your-own cigarettes declined to 23,792,000 pounds—almost 1,000,000 pounds from the 1942 level. Plug tobacco also fell off but not to any great extent, dropping to 3,505,700 pounds from the 3,526,800 pounds reported for 1942.

Estonian Production

Prior to the War, Estonia imported annually an average of 1,000 tons of tobacco, state German-controlled press reports. Requirements must now be met by local production. Up to May 1943, the Estonian Administration of Monopolies had entered into agreements with 1,080 leaf growers. The acreage involved was expected to yield, as best, only about 100 tons, including the output of small cultivators growing from 100 to 200 plants each. Such production could be expected to meet not more than one-eighth of factory requirements.

Tobacco Cultivation and Sales, Lithuania

Lithuanian tobacco farmers cultivating as few as 100 or 200 plants in 1943 were allowed to do so without a Government contract, but on provision only that they deliver 1,500 and 3,000 grams of tobacco, respectively, to the Government purchasing centers, say German-controlled press reports.

Tobacco Manufacturers' Agreement, U. K.

A reciprocal agreement between tobacco manufacturers of Northern Ireland and Great Britain operated sucessfully during 1943, and considerable savings in shipping were made possible. Under the terms of the agreement, several well-known English brands of tobacco and cigarettes are manufactured in Northern Ireland for local consumption and, correspondingly, Northern Ireland brands are manufactured in Great Britain.

New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin April 29, 1944

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price $2.75 a year. The April 29 issue contains these articles:

ECONOMIC FOREIGN POLICY: ADDRESS BY HARRY C. HAWKINS.

VISIT OF THE UNDER SECRETARY OF STATE TO LONDON.

DEATH OF THE SECRETARY OF THE NAVY:
Statement by the President.
Statement by the Secretary of State.
Proclamation of the Secretary of State.

CHANGES IN CERTAIN TURKISH IMPORT DUTIES.

FIFTH PAN AMERICAN CONFERENCE OF NATIONAL DIRECTORS OF HEALTH: REMARKS OF ASSISTANT SECRETARY BERLE.

TREATY SECTION ORGANIZED IN THE DIVISION OF RESEARCH AND PUBLICATIONS.

INTER-AMERICAN INSTITUTE OF AGRICULTURAL SCIENCES.

PROTOCOL ON PELAGIC WHALING.

COMMERCIAL "MODUS VIVENDI," CANADA AND VENEZUELA.

EXCHANGE OF PUBLICATIONS, ECUADOR AND PANAMA.

APPOINTMENT OF SPECIAL REPRESENTATIVE TO INAUGURATION OF PRESIDENT OF COSTA RICA.

Other Publications

THE CARIBBEAN ISLANDS AND THE WAR: A RECORD OF PROGRESS IN FACING STERN REALITIES. U. S. Department of State, United States Section of the Anglo-American Caribbean Commission. 1943. 90 pp. Price, 25 cents.
Available from: Superintendent of Documents, Washington 25, D. C.

TRADE AGREEMENT BETWEEN THE UNITED STATES AND ICELAND. U. S. Tariff Commission. 1944. 114 pp. Analysis of the agreement and digests of trade data with respect to products on which concessions were granted by the United States.
Available gratis from: U. S. Tariff Commission, Washington 25, D. C.

AGRICULTURE IN COSTA RICA. Pan American Union, Division of Agricultural Cooperation. 1943. 56 pp. American Agriculture Series. Price, 15 cents. Contents are grouped under the following main headings: Geography and population; description of agriculture—crops, livestock, forest products, and agricultural methods; social and economic aspects; the war and Costa Rican agriculture; problems.
Available from: Pan American Union, Washington, D. C.

THE UNITED STATES IN THE WORLD ECONOMY. Elliott C. Morse. 1944. 23 pp. Reviews the economic factors which led to World War II, and stresses the need of a cooperative planning organization representative of all nations. Points out that in order to assure employment for its millions of workers, the United States must develop foreign markets and urge cooperation among world nations to a degree never before reached.
Available gratis from: International Economic Council, 528 Bond Building, Washington, D. C.

MAP OF PORTLAND CEMENT PLANTS, UNITED STATES AND CANADA (COLORED). J. H. H. Muirhead. 1944. Price, $1.50. Spots and names all cities, towns, and villages in the United States and Canada having portland-cement plants, thus showing location and extent of the industry. A list below the map gives the names of firms or companies operating in each place. District divisions coincide with those adopted by the U. S. Bureau of Mines in its report on production of this industry, as of January 1944.
Available from: J. H. H. Muirhead, 230 West 108th Street, New York 25, N. Y.

MAP OF CERAMIC PLANTS, UNITED STATES AND CANADA. J. H. H. Muirhead. 1944. Price, $2. Spots and names all cities, towns, and villages in the United States and Canada, having ceramic plants, thus showing the location and extent of the industry. A list below the map gives the names of the firms and companies operating in each place, together with classification of product.
Available from: J. H. H. Muirhead, 230 West 108th Street, New York 25, N. Y.

PETROLEUM AND AMERICAN FOREIGN POLICY. Herbert Feis. 1944. 68 pp. Commodity Policy Studies No. 3. Price, 50 cents. An attempt to present the essential facts and judgments which must be considered in determining American policy and action regarding development of oil deposits in foreign countries, with particular reference to the Middle East. Reviews the whole petroleum situation and outlines a general policy to which that of the Middle East can be adapted.
Available from: Food Research Institute, Stanford University, Calif.

RESEARCH AND POST-WAR PLANNING. United Nations Information Office, Section for Information on Post-War Reconstruction. 1944. 2 volumes: Survey of Agencies, Part XIII, Price, $1; Bibliography, Part XIII, Price, $1. Additional volumes listing sources of information for those interested in post-war planning.
Available from: United Nations Information Office, 610 Fifth Avenue, New York 20, N. Y.

(Continued on p. 34)

Contributors' Column

George R. Coxe ("Future Export Markets for Pulp and Paper").—Born in Newark, N. J.; graduated Newark Academy and Yale University (1914); attended Columbia Law School, New York City. Wm. E. Peck and Co., New York, export commission house. Served in U. S. Marine Corps (1917–1919) as second lieutenant, first lieutenant, and captain. With S. Minkenhof and Co., New York export house. Appointed to Latin American Division, Bureau of Foreign and Domestic Commerce, December 1922. Spent 2 years in Zurich, Switzerland, with Special Agency Service, U. S. Treasury Department, covering south-central Europe and the Balkans; 2 years in Berlin, Germany, as European representative of the Import Committee of the American Paper Industry; sales department Union Bag & Paper Corporation; appointed to Pulp and Paper Unit, Bureau of Foreign and Domestic Commerce, February 1942; currently, Assistant Economic Analyst.

Dorothy Knibb ("Fountain of Oil in the Middle East").—Born at Sabot, Va. Graduate of Westhampton College, University of Richmond; elected to Mortar Board Society; studied at University of Virginia. Traveled in Europe, Hawaii, Japan, and Philippine Islands; teacher in American School, Shanghai, China; evacuated from Far East December 1940. Teacher of English, Scotch Plains High School, Scotch Plains, N. J. Joined Industrial Projects Unit, Bureau of Foreign and Domestic Commerce, November 15, 1943.

Albert F. Nufer ("Cuba in 1943").—Born in New York, N. Y. Attended Buurmann's Institute, Bremen, Germany; business school in Germany; English correspondent in Germany, 1910; clerk in American Consulates at Bremen and Barmen, 1910–16; vice consul at Erfurt, 1916–17; at Cienfuegos, 1917–19; partner and executive in business firms in Cienfuegos, 1919–28; appointed trade commissioner at Mexico City July 11, 1928; assistant commercial attaché at Mexico City November 27, 1928; at Habana, February 4, 1930; commercial attaché at Habana, June 23, 1932; in Bureau of Foreign and Domestic Commerce, 1934–35; commercial attaché at Madrid, February 26, 1935; at Habana, September 23, 1937; consul and secretary in the Diplomatic Service, November 16, 1939; Counsellor for Economic Affairs, Habana, November 5, 1942, where he is at present assigned.

A donation every 3 months of 3 catties (4 pounds) each of brass and iron is reportedly required by the Japanese of each household in the Pieping-Tientsin area.

Trade-Mark Applications

Brazil.—The following applications for trade-mark registration were published on dates indicated, in the Official Gazette of Brazil. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class No. and product	Date of publication
		1944
Alicator	No. 35—Hides and skins	Mar. 29
Primer	No. 8—Traffic signals	Do.
Paratex	No. 6—Coatings for textile shuttles and rollers.	Do.
Dentalpan	No. 10—Accrilic material and dental products.	Do.
Makil	No. 48—Perfumes and toilet preparations.	Do.
Trixol	No. 1—Chemical products used in the industry.	Do.
Teofedrin	No. 3—Medicinal and pharmaceutical preparation.	Mar. 30
Sulphamezathine.	No. 2—Organic pharmaceutical substance with sulphanilamide base, for veterinary use.	Do.
Pencilin	No. 3—Pharmaceutical product.	Apr. 1
Pencilium	do	Do.
Cometa	No. 6—Spark plugs for automobiles.	Do.
Thiazamida	No. 3—Pharmaceutical products.	*1944* Apr. 1
Spasmolysin	do	Do.
Synfleur	No. 48—Perfumes	Do.
Ivonna	No. 3—Medicinal and pharmaceutical.	Do.
Arsenovircol	do	Do.
Birds eye	No. 41—Food ingredients	Do.
Vitoria	No. 19—Dynamite, powder and fuses.	Apr. 4
Grampos elefante	No. 12—Metal clips and fasteners for machine belts and other purposes.	Do.
Page	No. 7—Agricultural machinery and parts.	Do.
Gameto-Gin	No. 3—Medicinal and pharmaceutical preparation.	Do.
Sulf-Argol	do	Do.
Star	No. 10—Syringes and needles.	Do.
Aminoferrol	No. 3—Medicinal and pharmaceutical preparation.	Do.
A B C	No. 41—Food ingredients	Apr. 5
Walpor	No. 48—Perfumery	Do.
Septisan	No. 3—Pharmaceutical product.	Do.
Carbon-Nil	do	Do.
Triplex	No. 36—Articles of clothing	Do.

Shipping Outlook After the Victory

(Continued from p. 4)

will be difficult at best after the war, and they, too, will need to operate their shipping on the largest scale possible.

The best opportunities for an effective utilization of our shipping tonnage would therefore be provided by a substantial increase in United States foreign trade and in world trade generally. What are our chances in this direction?

Post-War Foreign-Trade Prospects Are Obscure

One of the greatest difficulties in trying to think about the possible size of our foreign trade after the war lies in the absence of anything that could be considered as a "normal" level in the immediate pre-war years. In the 5-year period from 1935 to 1939, for example, exports ranged from a low of $2,283,000,000 in 1935 to a high of $3,349,000,000 2 years later. Imports climbed from $2,047,000,000 in 1935 to $3,084,000,000 in 1937 but crashed back to only $1,960,000,000 the next year. But at their maximum in the late thirties both exports and imports remained far below their 1929 peaks of $5,241,000,000 and $4,399,000,000, respectively.

The fact is that the volume of world trade during the last decade before the war was severely restricted by the depressed economic conditions prevailing over much of the earth's surface and by the nationalistic policies pursued by many countries to combat unemployment at home and to prepare for war. The pre-war years hence were certainly not normal.

Long-Range View of Trade Is Encouraging

Taking a long and hopeful view, however, the Department of Commerce recently estimated that, under favorable conditions, United States foreign trade, in terms of 1942 prices, might reach as much as $6,000,000,000 or $7,000,000,000 annually in each direction after the war.[1] This is based on the simple fact that, historically, our imports have been closely related to the level of domestic business activity, plus the probability that, if we maintain reasonably full employment and production at home, we will need to import considerably more raw materials, foodstuffs, and other goods than ever before. It is also assumed that demand in foreign countries will be as strong as their dollar receipts will permit, and that foreigners will hence buy from us at least as much as we buy from them—possibly considerably more if we again become exporters of capital on a significant scale.

Various influences will, of course, operate to curtail our foreign trade after the war and may prevent it from reaching the levels suggested. Among these will be, for example, domestic production of substitutes for natural silk and rubber and similar developments in other commodities which may tend to restrict our future import requirements. This would, in turn, affect the ability of other countries to buy our exports, which will also be influenced by the impoverishment of war-torn areas and by pre-war and wartime tendencies toward increased self-sufficiency in many countries.

These negative factors, however, are not without their positive counterparts. For instance, the United States may become less dependent on foreign sources for some items but will clearly have to draw more heavily on foreign countries to meet its needs of other goods, including a number of important metals and probably petroleum. With regard to exports, the very impoverishment of Europe and Asia will give rise to temporarily swollen requirements of foodstuffs and many other goods from the United States and may help us in the longer run to regain larger markets than before the war. Moreover, the gradual restoration and expansion of economic life in foreign countries, while perhaps curtailing demand for some of our products, should serve to stimulate other demands for producers' and consumers' durables so efficiently produced in the United States.

Just how these multiple forces will balance out is a matter for conjecture. But, barring serious economic depression in this country and continued political unsettlement abroad after the war, it is difficult to escape the conclusion that our foreign trade will be higher, and possibly *much* higher, than in pre-war years.

What this may mean in terms of cargo and the utilization of available American tonnage is a further question. We may consider the possibility of a substantially larger trade in terms of dollars but a much smaller increase in cargo tons. This might happen not only because of the higher level of prices likely to prevail after the war but also because of a possible shift in the composition of trade.

If, for example, an increase in exports should occur chiefly in finished manufactures rather than in bulkier agricultural goods and raw materials, the rise in cargo tonnage might be substantially less than the rise in value. Similar trends might develop in imports, although this appears less likely.

The question of the cargo tonnage available for carriage after the war *will thus turn largely on the behavior of a restricted number of the bulkier items in our foreign trade.*

[1] U. S. Department of Commerce, Foreign Trade After the War, October 1943.

New Books and Reports

(Continued from p. 33)

DUTCH EMIGRATION TO NORTH AMERICA 1624–1860. Bertus Harry Wabeke. 1944. 160 pp. Booklets of the Netherlands Information Bureau No. 10. Price, 75 cents. Develops the themes of why and how the Dutch came to North America and how they adjusted themselves to the new life.

Available from: The Netherlands Information Bureau, 10 Rockefeller Plaza, New York 20, N. Y.

Future Export Markets for U. S. Pulp and Paper

(Continued from p. 13)

Ravages and Repercussions

Though it is known that some pulp and paper production capacity in certain countries, particularly in Europe, will have been damaged, the post-war outlook is for a substantial larger world manufacturing capacity after rehabilitation than existed before the war. This capacity may in time exceed consumption even though per capita use is increased and new markets developed.

Damage to some of Europe's forests, particularly in central Europe, will probably have been extensive both from direct war damage and from overcutting. Since these forests are extremely valuable national resources, it is possible that government restrictions may be placed on pulpwood cutting and have greater effect on pulp production than will damage to the pulp mills. Another factor that, in all probability, will have great bearing on European pulp production will be the diversion from pulp mills of huge quantities of timber for manufacture into lumber for the rebuilding of the devastated regions.

With the world-wide demand for all types of materials, the length of time it will require to completely rehabilitate the entire European pulp and paper industry is problematical. Even if the mills could be quickly put back into operation, the European demand could absorb the entire production for some time.

The defeat of Germany and the ending of hostilities in Europe will have little immediate effect on the pulp and paper industry in the United States. A limited supply of Swedish pulp may become available to augment the domestic supply. The European needs for paper and board, both direct and indirect, plus domestic requirements increased by the easing of war restrictions on use, will create a demand probably exceeding any previously experienced. For an indefinite period immediately after the war the United States and Canada will continue to be the major sources of supply, but increasing quantities of pulp and paper will become available from Sweden.

What We're Likely to See

All indications lead to the assumption that, for several years after the war, world demand for pulp, paper, and paperboard will exceed world production capacity; with the rehabilitation of the world's industry, supply will equal demand for an indefinite period; but eventually further increased manufacturing capacity will probably cause potential supplies to exceed world demand.

The immediate post-war demand for United States pulp, paper, paperboard, and paper products will undoubtedly continue unabated until the European industry is rehabilitated. This presents an unparalleled opportunity to United States manufacturers and exporters to develop and retain foreign markets. However, American paper manufacturers have, in the past, shown little interest in exporting their products at the low-priced competitive levels of the foreign exporters, and it remains to be seen whether competitive prices, tariffs, and the many other factors affecting the profitableness of export markets will allow this interest to grow.

Latin American Exchange Rates

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to 1 dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1942 (annual)	1943 (annual)	Feb. 1944 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	Mar. 18, 1944
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market		4.06	3.99	4.02	.2488	Do.
Bolivia	Boliviano	Controlled	46.46	42.91	42.42	42.42	.0236	Apr. 18, 1944
		Curb	49.66	45.42	49.07	50.00	.0200	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	Mar. 31, 1944
		Free market	19.64	19.63	19.63	19.63	.0509	Do.
		Special free market	20.52	20.43	20.30	20.30	.0493	Do.
Chile	Peso	Official	19.37	19.37	19.37	19.37	.0516	Apr. 15, 1944
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Curb market	31.75	32.37	31.38	32.10	.0312	Do.
		Free	31.13	31.00	31.00	31.00	.0323	Do.
		Gold exchange	31.13	31.00	31.00	31.00	.0323	Do.
		Mining dollar	31.13	31.00	31.00	31.00	.0323	Do.
		Agricultural dollar	31.13	31.00	31.00	31.00	.0323	Do.
Colombia	do	Controlled	1.75	1.75	1.75	1.75	.5714	Do.
		Bank of Republic	1.76	1.76	1.76	1.76	.5682	Do.
		Stabilization Fund	[2]	[2]	[2]	[4]		Do.
		Curb	1.77	1.76	1.75	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.71	5.65	5.64	5.65	.1770	Mar. 31, 1944
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	Apr. 8, 1944
Ecuador	Sucre	Central Bank (official)	14.39	14.10	14.10	14.10	.0709	Feb. 29, 1944
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Do.
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Do.
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	Apr. 15, 1944
		Curb		5.16	5.30	5.40	.1852	Do.
Paraguay	Paper peso	Official	333.00	[3] 333.00	333.00	333.00	.0030	Nov. 7, 1943
	Guarani [5]	do		3.10	3.10	3.10	.3226	Mar. 31, 1944
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1528	Apr. 15, 1944
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Feb. 29, 1944
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Apr. 15, 1944
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	Mar. 31, 1944
		Free	3.45	3.35	3.35	3.35	.2985	Do.

[1] Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.
[2] For class 2 merchandise 1.795; class 3, 1.87; class 4, 1.95.
[3] For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.
[4] Categories of imports abolished in April 1944.
[5] Used until November 7, when the paper peso was replaced by the guarani.
[6] New currency unit instituted as of November 8, 1943.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

News by COUNTRIES

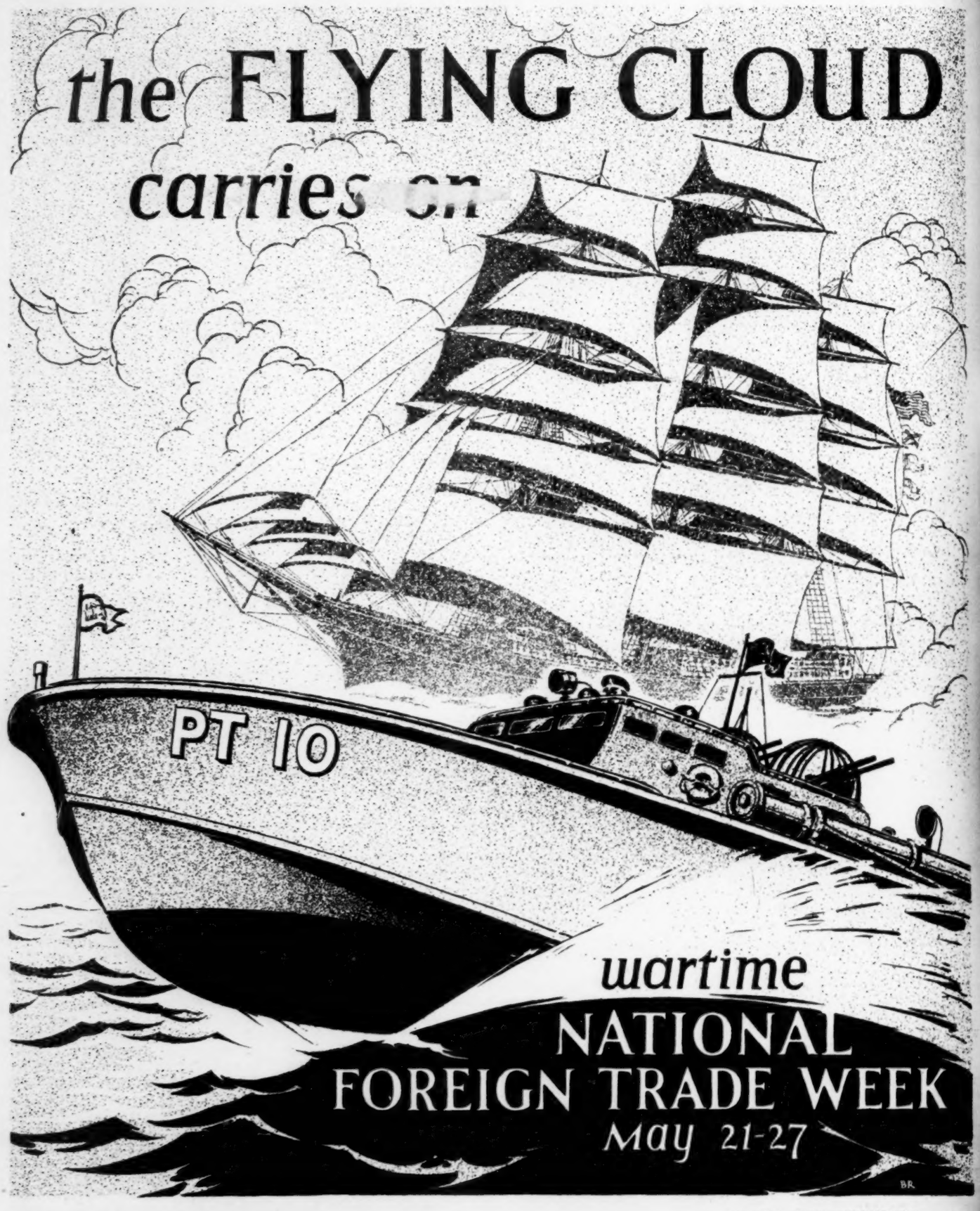
(Continued from p. 21)

portance of the gold-mining industry to the Union's whole economy and the fact that the mines are already making heavy contributions to the cost of Government, the Government is making available to the mines the equivalent of the gold realization charges for the financial year 1944–45—charges which are levied upon gold production rather than upon profits. Sums are to be paid to the various mines on the basis of what they will require to put the wage increases into effect.

The Commission suggests the appointment of a welfare officer who would circulate among the natives and present their grievances to the Department of Native Affairs and the managers of the mines.

The Government also granted to the native employees of the Victoria Falls and Transvaal Power Co. a wage increase of 4d. per shift. This is to be retroactive to January 1, 1944.

As soon as the Government's decision in relation to the gold miners was made public, native laborers in the collieries sent telegrams to the Minister of Mines, the Minister of Labor, and the Minister of Native Affairs, requesting that the wage increase be extended to them also. Thus far, however, no action has been taken on this request.



U. S. GOVERNMENT PRINTING OFFICE: 1944